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GDR Radio Comments on Disarmament, UN Role

DW300840 East Berlin Domestic Service in German 1800 GMT 28 Sep 87

[Guenter Leuschner weekly international review]

[Text] The agreement on the elimination of intermediate-range weapons is not yet entirely perfect, it has not yet been signed, and the two countries' parliaments will have to approve of it before it becomes definitely effective. Yet, we realize already now that the world is on the threshold of great changes. We see that in the course of the current UN General Assembly session, and I also had that impression last week in Vienna where the 35 CSCE states have resumed their negotiations on a final document. Without underrating the existing difficulties, we can say today that the Vienna meeting will come to a successful conclusion if all participants muster a normal degree of good will.

The results of the meeting between the Soviet Foreign Minister and the U.S. Secretary of State have caused relief and given fresh impetus to international politics. It seems that a touch of common sense has tinged world history, as an FRG TV commentator rightly put it. If that is the case, we should take advantage of the opportunity and continue and, if possible, even accelerate what has been set in motion. It would be dangerous to follow those in the West who after an initial disarmament success want to put in some breathing space. Their motives are obvious.

In his speech at the UN General Assembly, Eduard Shevardnadze described the agreement on missile disarmament as a small launch pushing a great cause. We should take advantage of and strengthen that thrust. If agreement could be reached before the U.S. elections on a 50-percent reduction in strategic nuclear weapons, it would tremendously accelerate the process leading to a nuclear weapons-free world. That objective can be achieved because almost all technical criteria of an agreement on intermediate-range weapons could be taken over for strategic nuclear weapons. That holds particularly true for the complicated issues of the destruction of the weapons and verification.

The most serious obstacle is the United States' SDI program. But here, too, the Soviet Union has built a solid bridge for the United States by submitting its proposal to observe the ABM treaty for at least 10 years. Even though the number of politicians and military in Washington who do not want to drop SDI is still large, the number of those who demonstrate common sense has at least grown. When an agreement on intermediate-range weapons has been signed the discussion about SDI is bound to intensify.

In at least three other disarmament sectors, prospects to increase the existing thrust have improved. Now that NATO has overcome many months of internal difficulties, at least temporarily, a decision could be reached in Vienna on negotiations on the reduction of conventional forces and arms in Europe. That would be a new and important move. Once definitive negotiations are being held on the reduction of conventional forces, the supporters of nuclear deterrence—the nuclear pensioners, as Shevardnadze has called them—will have an even more difficult time in justifying their stance.

Before the and of this year the two superpowers want to negotiate on the problem of nuclear tests. After the Soviet Union in a politically unconventional and almost revolutionary way has taken the wind out of the sails of the opponents of a nuclear weapons test ban by demonstrating in practice that a test ban is verifiable, there are at least indications of a cautious change in the way of thinking in Washington on that issue.

The third category are the chemical weapons. Here, too, the possible conclusion of an agreement seems to be within reach. And here, too, the Soviet Union has made major advance concessions by unilaterally discontinuing chemical weapons production and inviting diplomats and journalists to inform themselves on the site that it is possible to destroy such weapons.

The most difficult thing at present seems to be to make headway with tactical nuclear weapons with a range of less than 500 km. NATO has rejected our proposal to negotiate on them along with conventional armed forces, without having submitted a proposal of its own. That hesitant attitude which according to some observers is in particular demonstrated by Great Britain and France cannot leave those indifferent whose territory is located at the interface of the two military blocs. Given the obvious difficulties in the Western Alliance on that issue, the Federal Republic's position and commitment are of special importance. We would hope very much that the statements made by Foreign Minister Genscher, including those he made at the United Nations, that negotiations on such weapons should be held are serious. Summing it up, there are enough opportunities to continue the new thrust in international politics and to translate it into real deeds. At any rate, the argument that the first step to disarmament could give the struggle for halting the arms race a totally new impetus is right. Nothing of what appears in outline will come easily. There is no reason for us to be euphoric. However, there is reason for us to be more optimistic. The proposals made by the Soviet Union in January last year on a world free from nuclear weapons by the year 2000 at the time were dismissed by the West as utopian or even propaganda. Just one and 1/2 years later, no one can take it so lightly anymore. That also shows a change.

The fact that this year's UN General Assembly will possibly take a special place in the United Nations' history is attributable, besides the specific disarmament situation, to a second factor. With Mikhail Gorbachev's *Pravda* article on the reality and guarantees for a secure world, the foundation stone has been laid for a discussion on the future of the United Nations which could

give that body a new political perspective. True, the contemptuous talk in some western circles about the United Nations as chat shop has always been stupid and wrong, but the United Nations often does not take sufficient advantage of the opportunities its charter offers.

To change that, and to turn the United Nations gradually into the guarantor of a comprehensive security system, with all the rights, duties, and powers involved—is the purpose of Gorbachev's article. Those who have read the article as well as the speeches given by Eduard Shevardnadze, Oskar Fischer, and other foreign ministers in New York will find numerous, in some cases even breathtaking ideas, suggestions, and proposals. Regarding the importance of that program for the future, it seems to me that a comparison with the proposals of January last year on the abolition of all nuclear weapons is justified.

Therefore, it is surprising that most mass media in the West have informed their readers, listeners, and audience so superficially. Are they lacking the imagination and understanding of essential future developments? Be that as it may, the discussion on the role of United Nations for creating a comprehensive security system under which military, political, economic, and humanitarian aspects would be the four supporting pillars—that discussion has only just begun. It will broaden and deepen. That could change the United Nations, encourage new thinking, and further develop the new thrust in international politics. And that is the important thing now.

Alia Speaks at Librazhd Party Aktiv

AU352723 Tirana Domestic Service in Albanian 1330 GMT 24 Sep 87

[Report on speech delivered by Ramiz Alia, AWP Central Committee first secretary, at an AWP aktiv in Librazhd District on 24 September]

[Text] [Begin Alia recording] [applause] Dear comrades, I would like first of all to convey the revolutionary greetings of the AWP Central Committee and to all of you, to all the communists and cadres of your district, as well as best and most cordial wishes to all the patriotic and hardworking people of Librazhd. The proceedings of your party aktiv were devoted to the consolidation and protection of socialist property, following the AWP Central Committee's letter on this problem. The tasks and instructions in this letter are of importance for the present and future. Therefore, the basic party organizations, their instruments, and all members should always keep them at the center of their attention throughout their activity.

The historic experience of our socialist construction shows that socialist property increased and is consolidated only through work, that its efficient use is in the interest of the just cause of the working people themselves, of all the people, of all of society. Our Marxist-Leninist party has always directed, worked, and struggled to ensure that socialist property in the cities and in the countryside, in all branches and sectors of the economy, should be continually strengthened and increase, and that its efficiency should be raised. Throughout the country, a rapid increase of production forces is noticeable. As a result of the gradual accumulation of the largest part of the social product from one 5-year period to the next over more than three and one-half decades, beginning in 1950, over 82 billion leks of capital investments have been affected. Raw material reserves and stocks in the trade sector and elsewhere are worth billions. Hundreds of industrial and agricultural enterprises, cooperatives, and educational and health institutions have been set up in both the productive and nonproductive spheres. All this constitutes social and cooperative property, equipped with a powerful material base, enabling us to develop the production of material goods to an ever growing extent, to expand education, science, and culture, and to continually raise the well-being of the people and the country's defense potential. [end Alia recording]

Comrade Ramiz Alia then spoke about the considerable achievements in Librazhd District and stressed that 17 state enterprises are operating throughout the district, in the cities and in the countryside, as well as 15 cooperatives. The district now produces more industrial commodities that the entire country in 1938. The mineral wealth of the district is considerable. The state has invested about 400 million leks for the ferronickel industry in Prrenjas alone. The cities of Librazhd and Prrenjas have been built from scratch, and the railroad and road network extends throughout the district. The number of working people in the state and cooperativist sector has exceeded 25,000 people, which equals the entire population of the district in 1950.

The struggle and efforts to fulfill and exceed the planned targets, to raise the degree of the use of the country's wealth, and to raise the efficiency of the economy, he went on to say, is the decisive factor in increasing socialist property. I would like to stress, he stated, that the concept of the struggle to protect socialist property must not be a narrow one. The question must not be viewed merely as a struggle against thefts and abuses, against maladministration and damage to socialist property. The struggle for socialist property must be viewed primarily as a struggle to continually increase the material and cultural wealth of our socialist society, to strengthen the economy in all fields, to increase labor productivity and economic efficiency in all fields of activity. When we speak about the countryside, we must bear in mind that organized work and common property in the cooperative is the basis of the peasantry's well-being.

After having spoken about some shortcomings and weaknesses in the work done in this district, as well as about the not so very satisfactory level of income in agriculture, Comrade Ramiz Alia stated that in Librazhd District, but also in some other districts covering the northeastern part of the country, where there is extensive mining and other nonagricultural activity, it is necessary to make sure that the largest proportion of the real incomes of the peasantry is derived from work in the cooperatives, from group production. Let us not forget that arable land is limited and its expansion requires large investments, particularly since the acreage per capita is getting smaller. It is therefore necessary to do the utmost, even the impossible, to intensify agricultural production, to constantly increase productivity per unit of arable land and livestock, to extend the acreage planted with two crops per year, to increase the value of production for every hectare of arable land, and so forth.

Dealing with some matters pertaining to soil improvement, the improved use of fertilizers, and so forth, Comrade Ramiz Alia said that a more militant spirit and revolutionary pride are needed to successfully complete all tasks. We must oppose justifications such as difficult terrain, climatic conditions, and so forth. We must not wait for others to comeund resolve our problems. No, everywhere, in every district, working center, in every village, as well as on a national scale, the decisive factor lies in the masses, in the people, in self-reliance. The party has always stressed that only when the masses become fully conscious, and the workers, cooperativists, and the cadres put their shoulders to the tasks, then there is no problem that cannot be resolved. Difficulties encountered cannot be overcome without the masses.

Comrade Ramiz Alia then dwelt on the work to be done in this district concerning the development of the livestock sector. Particular attention must be paid to the

raising of goats, because conditions are more favorable for this. The decision of the Ninth AWP Congress to increase the number of small livestock to 4 million head by 1990 must rest strongly on the increase in the number of goats. The possibilities for this are considerable. The country has over 2 million hectares of forests, a large proportion of which can be used to raise livestock. Naturally, these advantages cannot be used automatically and easily. What is important is the complex organization of the work to be done, the correct distribution of tasks and responsibilities, the application of scientific and economic criteria in increasing and protecting the forests. A proper coordination of work is needed currently to protect the forests and to develop the livestock sector.

When we talk about the development of production in remote areas like Librazhd District—Comrade Ramiz Alia went on to say—we must stress the need to attach particular importance to the cooperatives specializing in livestock raising, which currently are numbered in scores and extend over a number of districts. The situation in every district must be carefully studied and, in particular, the advanced experience of some cooperatives in the districts of Korce, Skrapar, Kukes, and Tropoje.

Comrade Ramiz Alia went on to say that a particular sector requiring special attention with regard to development possibilities is the horticultural sector. Librazhd District has very favorable conditions for the development of certain types of fruit. This could be a very profitable sector.

Dwelling on problems pertaining to property, Comrade Ramiz Alia stated that the common property in both urban and rural areas is the source of collective and individual well-being. Its protection is therefore not the duty only of the specialist state and economic organs, but also are the primary tasks of the economists, workers, cooperativists, of all citizens, no matter where they may be working and living. The party and its instruments must therefore cultivate public opinion constantly with regard to the problems pertaining to the strengthening, protection, and administration of socialist property. Work constitutes the foundation of our material and social development, it is a source of inspiration and optimism for all society, and is the main way of raising our well-being. The full and systematic employment of the younger generation requires material and financial resources and ever-growing investments. Society spends on average 100,000 leks in investments and other expenditure for every new job created, that is, about double the amount in the sixties. More will be needed in the future, too, because expenditure for advanced technologies and know how are considerably greater. This means that 4-5 billion leks in new investments are required annually to create new jobs. This means that production capacities and exports must constantly grow. What may seem as an ordinary matter in the daily life of families, that is, that sons and daughters be employed, is for society one of the most important obligations, and one that is requiring great expenditure. The radical solution of the problem of securing full employment for all active and able-bodied people cannot be imagined without the selfless work done in the years of socialism, without the material and technical base that has been created, without the establishment of socialist property, and without the single state administration of the economy.

The protection of the health of people and their education also requires considerable investments and expenditure. We all rejoice when we settle in a new apartment or house, but this, too, requires great expenditure. That is why common property, the complex economy that we have created, and our socialist system are the foundations of our well-being, stability, and the optimism of our lives.

Initiative at work, the efforts being affected to revise our planned targets, the spirit of actions and thrift, the innovative movement, and the scientific creativity that is apparent everywhere constitute the fullest and most stable base of our people's attitude toward work and property. But we are realists and know that socialist consciousness is constantly being formed. We know that not all of the needs of the people can be met as they should. We are aware that petty bourgeois vestiges in the consciousness of people cannot be eradicated all at once. We are aware that the class struggle does continue on all fronts throughout the entire stage of the construction of the socialist society. We must therefore look at these questions from a broader angle, with great earnestness, and be the object of general vigilance. Wrongdoers, those who violate the laws and rules pertaining to the administration of property cause considerable political and ideological harm. But the economic harm is no less considerable. In the final analysis—Comrade Ramiz Alia went on to say—all alien manifestations and hostile activities in the field of work and common property do harm the country's socialist construction and our social order. One broad and well-organized front must be created to protect socialist property. Everyone is interested and must work together with everyone else on this front: the party organizations, the mass organizations, the state and economic organs, all the other organs of the dictatorship of the people, and all our people.

Trade Protocol Signed With France

AU291752 Tirana ATA in English 0740 GMT 29 Sep 87

[Text] Tirana, September 29 (ATA)—The document on the trade exchanges between Albania and France for 1988 was signed in Paris these days. This document was signed for the Albanian side by the vice-minister of foreign trade, Konstandin Hoxha, and for the French side by the Director of Europe at the Ministry of Relations With Foreign Countries, Jacques Blout.

The ceremony of signing the document was attended by the members of the two delegations, as well as by the ambassador extraordinary and plenipotentiary of the PSR of Albania in France, Maxhun Peka.

Zhivkov Meets GDR Leader in Sofia

Honecker Arrives

AU231729 Sofia BTA in English 1640 GMT 23 Sep 87

[Text] Sofia, September 23 (BTA)—A meeting was held here between Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, and Mr Erich Honecker, secretary general of the Socialist Unity Party of Germany and chairman of the Council of State of the GDR, who arrived this morning on an official friendly visit to this country at the head of a party and state delegation of the GDR.

The two leaders discussed questions of the bilateral relations and current international problems.

After that, in a ceremonial atmosphere, Mr Erich Honecker presented Mr Todor Zhivkov with the GDR's highest award, the Order "Karl Marx," for his great contribution to the all-round development of the fraternal relations and of the cooperation between the two parties, states and peoples, for his great services to the work of peace and socialism.

You have devoted your whole life to the noble work of communism and peace, said Mr Erich Honecker in his speech.

In his answer Mr Todor Zhivkov pointed out that he accepts this order as an expression of the high assessement and great significance, which the party and state leadership of the GDR attaches to the BCP, to the friendship and cooperation between the two parties and states. He said that he will continue to work for the widening and deepening of the fraternal relations between Bulgaria and the GDR, of the common friendship with the USSR and the other socialist community countries, for preservation of peace in the world.

On his part Mr Todor Zhivkov presented the GDR's party and state leader with the Bulgarian Order of "Stara Planina" with ribbon for his contribution to the development of the friendship and cooperation between the BCP and the Socialist Unity Party of Germany, between Bulgaria and the GDR, for his great services to the strengthening of the cohesion of the socialist countries, of the unity of international communist and workers' movement. Mr Todor Zhivkov stressed Mr Erich Honecker's great services to the development of the GDR's high international prestige, to the strengthening of the unity and cooperation between the Warsaw Treaty member-states and in the CMEA, to the uniting of all forces in the struggle for peace and social progress.

The relations between our two states in close union with the USSR and the other socialist community countries reflect the invincible force of Marxism-Leninism and proletarian internationalism, stressed Mr Erich Honecker. He said that with their cooperation Bulgaria and the GDR assist the ever-wider utilization of socialism's advantages and their use in interest of the two peoples.

Zhivkov Speech

AU280948 Sofia RABOTNICHESKO DELO in Bulgarian 24 Sep 87 pp 1,2

[Report on two speeches delivered by Todor Zhivkov, first secretary of the BCP Central Committee and chairman of the State Council, at the official ceremony at the Boyana residence in Sofia on 23 September at which Zhivkov and Erich Honecker exchanged orders]

[Text] The Bulgarian party and state leader expressed cordial gratitude to the SED Central Committee and to the GDR State Council for awarding him with the Karl Marx order and conveyed his most ardent greetings to the communists and fraternal people in the GDR.

I accept this award as an expression of the high appreciation and of the great importance which the GDR party and state leadership attach to the activities of our Blagoev-Dimitrov party, as well as to friendship and cooperation with between the BCP and the SED, between the People's Republic of Bulgaria and the GDR.

Our two peoples have common goals and a common path of development. There is no doubt whatsoever, that friendship and cooperation between us will develop and strengthen on the solid basis of Marxism-Leninism and proletarian internationalism.

The Bulgarian leader further stated: As far as I am concerned, dear Comrade Honecker, I would like to assure you that I will do everything within my power to expand and intensify our fraternal bilateral relations, as well as our common friendship with the Soviet Union and with the other states belonging to the socialist community for the preservation of peace in the world.

I once more would like to express my sincere gratitude for the great honor and ask you to convey most ardent greetings and and best wishes to the communists and the fraternal people in the GDR.

On the occasion of Comrade Honecker's 75th birthday the State Council of the People's Republic of Bulgaria, in a decree signed by Comrade Todor Zhivkov, first secretary of the BCP Central Committee and chairman of the State Council, awarded Erich Honecker, first party and state leader of the GDR the "Stara Planina" order with ribbon. In presenting the high award to his guest, the Bulgarian leader stated as follows:

I am glad that that during the official friendly visit paid by a GDR party and state delegation I have the opportunity to present the "Stara Planina" order with ribbon to Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

In presenting this order to you, the State Council of the People's Republic of Bulgaria, is paying its respects to your contribution to the development of friendship and cooperation between the BCP and the SED, between the People's Republic of Bulgaria and the GDR, as well as for the great credit you have earned in consolidating the cohesion of the socialist countries and the unity of the communist and workers movement, for the preservation of peace in the world, and on the occasion of your 75th birthday.

The working people in our country have feelings of deep and sincere respect for you, Comrade Todor Zhivkov pointed out. It is a well-known fact that in the past you actively participated in the struggles of the German workers class against capitalism and fascism, that you are devoting all your efforts to the construction and prosperity of the first German workers and peasants state in Germany.

The successful socioeconomic development and the great international prestige of the GDR are indissolubly linked with your name and your work.

Under your leadership the SED and the GDR are conducting an active policy of peace and cooperation among peoples.

We also greatly respect you as a great friend of Lenin's homeland and as an indefatiguable champion of the consolidation of unity and cooperation within the framework of the Warsaw Pact and CEMA, for the cohesion of all efforts in the struggle for peace and social progress.

I would like to stress with gratitude your great contribution to the consolidation of friendship and cooperation among our fraternal parties, countries, and peoples, the Bulgarian party and state leader stressed. I am profoundly convinced that your visit to the People's Republic of Bulgaria and the bilateral talks we will hold will give new impetus to our relations.

Permit me, dear Comrade Honecker, on behalf of the BCP Central Committee and on behalf of the People's Republic of Bulgaria, on behalf of all Bulgarian people, and on my own behalf to wish you vigorous health, personal happiness, and new successes in your important work involving great responsibility for the implementation of the decisions adopted by the 11th SED Congress, for the further upsurge of the socialist GDR, for the well-being of your wonderful people.

Zhivkov-Honecker Talks

AU280922 Sofia RABOTNICHESKO DELO in Bulgarian 24 Sep 87 p 2

[Report on official talks between Todor Zhivkov and Erich Honecker at the Boyana residence in Sofia on 23 September]

[Text] Official talks between the delegations of the People's Republic of Bulgaria and the GDR, headed by Comrades Todor Zhivkov and Erich Honecker, have begun. The following officials participated in the official talks on the Bulgarian side: Ognyan Doynov, member of the BCP Central Committee Politburo; Andrey Lukanov, candidate member of the BCP Central Committee Politburo and minister of foreign economic relations; Konstantin Atanasov, member of the BCP Central Committee and first deputy head of the BCP Central Committee Foreign Policy and International Relations department; Mariy Ivanov, member of the BCP Central Committee and first deputy minister of foreign affairs; Khristo Maleev, member of the BCP Central Committee and secretary of the Commission on foreign political questions, attached to the BCP Central Committee Politburo and Central Committee Secretariat; and Petur Mezhdurechki, member of the BCP Central Committee and ambassador extraordinary and plenipotentiary to Berlin.

The following officials participated in the talks on the GDR side: Guenther Mittag, member of the SED Central Committee Politburo and secretary of the SED Central Committee; Horst Soelle, deputy chairman of the GDR Council of Ministers and chairman of the GDR side of the GDR-Bulgarian Joint Commission on Economic and Scientific-Technical Cooperation; Guenther Sieber, member of the SED Central Committee and Director of the SED Central Committee International Relations Department; Herbert Krolikowski, member of the SED Central Committee, state secretary and first deputy minister of foreign affairs; Frank-Joachim Hermann, member of the SED Central Committee, state secretary, and chairman of the Council of State's Chancery; and Egon Rommel, GDR ambassador extraordinary and plenipotentiary in Sofia.

In a comradely and cordial atmosphere, in the spirit of our fraternal, mutual relations, the two delegations reviewed the agreements reached in 1983, in Berlin, during the official, friendly visit paid by a Bulgarian party and state delegation headed by Comrade Todor Zhivkov. It was ascertained with satisfaction that the all-round friendly cooperation between the two parties, states, and peoples is developing along ascending lines. Mutual readiness was expressed to expand the scope of economic and scientific-technical cooperation between the two countries and with increasing efficiency to apply progressive new forms of specialization and production sharing in important sectors, such as the chemical industry, biotechnologies, the electronics industry, and automation in machine building, as well as in other areas, by

making fuller use of the material-technical potential and the increasing economic opportunities that exist in both countries. In this connection it was pointed out with satisfaction that the two countries are developing successfully. The remarkable April plenum achievements of socialist Bulgaria were noted, as well as the high rates of development achieved in the GDR's national economy.

Particular attention was devoted during the talks to the expansion of direct production relations between Bulgarian economic trusts and GDR combines, as well as between enterprises of the two countries.

It was stressed that opportunities in this respect must be more extensively used, since they contribute to the two peoples further coming closer together. The leader of the GDR delegation briefed his partners on the inspired efforts of the communists and of all people in the GDR in implementing the decisions of the 11th SED Congress for the development and perfection of social relations, on the activities of other sociopolitical mass, trade union, and youth organizations, and on the working people's material and cultural achievements in the first German socialist state.

The top Bulgarian leader, in turn, briefed the guests from the GDR on the exceptionally important tasks which the party and people are coping with in implementing the decisions of the 13th BCP Congress for a qualitatively new growth in all spheres of life, on the changes mapped out by the BCP Central Committee July plenum which are historically important in their scope, and on the structural changes implemented in the economic management sector, that are taking place in our country. Comrade Zhivkov briefed his partners on the thorough democratization processes that are now expanding on the basis of socialist self-management.

It was pointed out during the talks that bilateral, economic and scientific-technical cooperation is an integral part of mutual cooperation and integration among the socialist community member states and is in the spirit of the Moscow conference of CEMA member states party and state leaders.

Great attention was devoted to topical international issues, and above all, to the problems of nuclear disarmament, as well as to the establishment of an all-round international security system. The two delegations welcomed with great satisfaction the basic agreement reached between the USSR and the United States on eliminating intermediate-range missiles and operational-tactical missiles, an agreement which marks the beginning of a process of worldwide nuclear disarmament.

Numerous topical tasks of the international communist and workers roles were touched upon, as well, during the talks, and problems pertaining to the developing countries, as well as to the solution of conflicts and crises in a number of areas of the world by political means and negotiations were also discussed.

The GDR delegation expressed full support for the initiatives to transform the Balkans in to a zone free of nuclear and chemical weapons, and the joint proposal of the GDR and CSSR to create a corridor free of nuclear and chemical weapons was hailed on the Bulgarian side.

It was unanimously stressed during the talks that the foreign political activities of the two socialist countries are in accordance with the mutual agreements reached at the Berlin Conference of the Warsaw Pact Political Consultative Committee. Particular emphasis was placed on the joint foreign policy strategy of the allied socialist states which was worked out at this conference.

The talks between the two party and state delegations will continue on 24 September.

Commentary on Honecker Visit

AU251339 Sofia BTA in English 1237 GMT 25 Sep 87

["Bulgaria-GDR: Unity of Action to the Benefit of Peace and Socialism"—BTA headline]

[Text] Sofia, September 25 (BTA commentator Veselin Toshkov)—A fruitful dialogue, whose results will give new impetus to the all-round cooperation between Bulgaria and the GDR, and will contribute to the uniting of the actions of the socialist community countries: In brief this is the assessment of the official friendly visit to Bulgaria of GDR's party and state delegation headed by Mr Erich Honecker.

The two-day programme was full of meetings and substantial talks on the chief trends of the future cooperation between the two socialist countries. They are specified in the programme signed by Mr Todor Zhivkov and Mr Erich Honecker for broadening and deepening the economic and techno-scientific cooperation between the GDR and Bulgaria for the period till the year 2000. This important document corresponds to the new requirements standing at the present stage before the national economic complexes of the two countries. On the basis of comprehensive intensification the efficiency of productivity will be increased in order to raise even further the material and intellectual level of the population.

What is new in the future integration processes between Bulgaria and the GDR? Along with the traditional forms of economic cooperation, economic organizations, combines, enterprises and institutes will work ever more closely. The key branches where specialisation and cooperation will be concentrated in the future are mechanical engineering, electronics and electrical engineering, and chemistry. The programme pays special attention to the strengthening of technical, technological and economic independence, to ever closer coordination of the economic policy of the two countries with the developing and developed capitalist countries. As a part of the common economic strategy of the CMEA member-states

the programme is in accordance with the resolutions of the Moscow top-level meeting of the member-countries of the socialist economic organization.

A review of the current international situation was also made during the talks in Sofia. Once again the two sides confirmed the complete unanimity in the estimations and conclusions of the two countries on these problems. Of special importance in political respect is the joint assessment of the resolutions of the 27th Congress of the CPSU, of the programme for restructuring sociopolitical and economic life in the USSR. The two sides emphasised their great importance and qualified them as a considerable contribution to the theory and practice of socialism.

The unreserved support of the two countries for the entire complex of Soviet initiatives oriented toward detente and disarmament must also be noted. Bulgaria and the GDR greet the Soviet-American agreement in principle to eliminate the two classes of missiles, and see a good basis for future reduction of nuclear arsenals in it. In the struggle for freeing the world of the nuclear weapons burden, of historical importance are the cohesion and unity of action of the fraternal socialist countries. In this respect the two sides stressed the significance of the document: "On the Military Doctrine of the Warsaw Treaty Member States," which is a new remarkable contribution in the efforts of the peoples to live in a world without weapons and wars.

Soviet Power Minister Mayorets Arrives

AU261855 Sofia Domestic Service in Bulgarian 1730 GMT 26 Sep 87

[Text] A working group from the Ministry of Power and Electrification of the USSR, led by Minister Anatoliy Mayorets, arrived for a visit to Bulgaria.

This afternoon a meeting took place in the offices of the Energetika Association, at which the Soviet specialists were briefed in detail on the structure of the Bulgarian power industry and the concepts for its development until the year 2000.

Balev Meets Member of Spanish Party

AU282010 Sofia BTA in English 1836 GMT 28 Sep 87

[Text] September 28 (BTA corr.)—Today, Mr. Milko Balev, member of the Politburo and secretary of the CC of the BCP, met Mr.Enrique Mugica, member of the Executive Commission and secretary of the Partido Socialista Obrero Espanol (PSOE) of Spain.

They exchanged opinions on the cooperation between the two parties and on international issues. They expressed support for the peace initiatives of the USSR and especially for the agreement in principle reached between Mr Eduard Shevardnadze and Mr George Shultz on eliminating intermediate and shorter range missiles.

Mladenov Meetings in New York Reported

Meets Chinese Minister

AU271924 Sofia BTA in English 1558 GMT 27 Sep 87

[Text] New York, September 27 (BTA correspondent)—Bulgaria's foreign minister Mr Petur Mladenov, who is heading the Bulgarian delegation to the 42nd session of the UN General Assembly, had a meeting with his Chinese counterpart Mr Wu Xueqian.

The two ministers discussed the state of the bilateral relations. They emphasized on the importance of the new stage in the Bulgaro-Chinese relations and expressed a shared willingness to continue to develop the mutually advantageous cooperation.

The Bulgarian and Chinese foreign ministers exchanged views on certain international issues of common interest. They agreed that it is necessary to undertake determined actions aimed at halting the arms race and at reducing tensions in international relations. They commended the latest Soviet initiatives for strengthening peace and international security.

The two ministers noted the coincidence or closeness of their Governments' views on the topics under discussion and expressed the opinion that Bulgaria and China can work together internationally.

Mr Petur Mladenov had a meeting with the Greek foreign minister Mr Karolos Papoulias. The friendly discussion centered on the bilateral cooperation and on certain international problems related to the situation in the Balkans, European detente and peace and disarmament dialogue. The two ministers paid great attention to the idea to turn the Balkans into a zone free of nuclear and chemical weapons.

They noted that the bilateral relations are developing well which corresponds to the interests of the two nations and promotes peace and security in the Balkans and in Europe.

Mr Petur Mladenov also had a meeting with Mr Hans Dietrich-Genscher, vice chancellor and minister of foreign affairs of the FRG, with whom he discussed the development of the bilateral relations as well as international topics such as European security and disarmament. The two ministers exchanged views on the situation in the Gulf. In examining the traditionally friendly bilateral relations, they noted that there are no obstacles before the further broadening of these relations.

The two ministers paid special attention to the East-West relations and to the problems of peace and disarmament in the light of the agreement in principle reached between the Soviet Union and the United States on the elimination of the intermediate and shorter-range nuclear missiles.

Meets Egyptian Minister

AU291438 Sofia BTA in English 1152 GMT 29 Sep 87

[Text] New York, September 29 (BTA corr.)—Bulgaria's Foreign Minister Mr Petur Mladenov met Mr Ahmad 'Ismat 'Abd al-Majid, minister of foreign affairs of Egypt.

The talks, which passed in a sincere and businesslike atmosphere, discussed the state of Bulgaro-Egyptian relations and the prospects for their promotion. It was observed that the contacts between Bulgaria and Egypt are in line with the interests of the two peoples and are undergoing an upgrade development.

The two sides exchanged opinions on a wide range of international issues and gave a high assessment to the agreement reached in principle between the USSR and the U.S. on intermediate and shorter range missiles.

The discussions on the situation in Middle East expressed support for the initiative for convening an international conference with the participation of all interested states, including the PLO, under the aegis of the UN as the only adequate framework for settling the crisis in that part of the world.

The two sides expressed concern over the development of the Iran-Iraq Conflict and pointed out that it can be settled only by political means, through peaceful negotiations on the basis of Resolution No 598 of the UN Security Council.

Mr Petur Mladenov also met the foreign minister of Colombia Mr Julio Londono Peredes.

The two ministers noted with satisfaction the activization in the political contacts over the past few years which is a good basis for further promoting political dialogue between the two countries.

The meeting stressed the common desire for diversifying and broadening trade and economic cooperation between Bulgaria and Colombia and the cultural exchange between them.

The two ministers dwelled on some topical international issues. They stressed the necessity for promoting international cooperation on a multilateral and bilateral basis in the solving of the vitally important problems of the planet such as the overcoming of the obstacles before the democratization of international economic relations and the establishment of a new international economic order and the elimination of backwardness, poverty and starvation in the world.

The two ministers expressed full support for the efforts of the Latin American and Central American states for a peaceful settlement of the crisis in Central America and for establishing lasting peace in the region.

PDRY Delegation Ends Visit

AU181932 Sofia BTA in English 1805 GMT 18 Sep 87

[Text] Sofia, September 18 (BTA)—A delegation of the Supreme People's Council of the PDR of Yemen led by Dr Muhammad 'Awad al-Sa'adi, member of the Supreme People's Council and director of the Economic Commission of the Council, ended its six-day visit here.

Dr Muhammad 'Awad al-Sa'adi told journalists today that he was satisfied with the visit and that there are great possibilities for cooperation between the PDR of Yemen and Bulgaria, including between the parliaments of the two countries. He said that the PDR of Yemen is studying and using Bulgaria's experience in different spheres of life.

At a meeting with the leadership of the Standing Commission on Socioeconomic Development with the Bulgarian Parliament, led by its chairman Mr Grisha Filipov, member of the Politburo and secretary of the CC of the BCP, the member of the delegation Shaykh 'Abdallah Kahtan, member of the Supreme Council and director of the Religious Affairs Department, said that the visit of the delegation convinced him in the full freedom of religion enjoyed by the Bulgarian Muslims. "For us this is a confirmation of the false nature of all anti-Bulgarian propaganda activities on the part of the reactionary forces. It is our belief that when the imperialist forces undertake such activities they are not led by love for the Islamic religion and the Muslims. Their only aim is to deliver a blow against socialist Bulgaria. The struggle between capitalism and socialism is not a religious struggle and I can assert that activities of a similar nature were repeatedly levelled against the socialist order in the PDR of Yemen. Now too we are a target of such aggressions but they have always failed, he stressed.

Today the guests had talks with Mr Stanko Todorov, chairman of the National Assembly. The two sides exchanged information on the socioeconomic development of the two countries. Mr Stanko Todorov acquainted the parliamentarians of the PDR of Yemen with the course of qualitatively new development, of reconstruction in all spheres of life, of the democratization of society undertaken by the BCP.

They discussed topical issues of the international situation, observing that their opinions on the global issues of our times coincide. The two sides concentrated on the developments in the Middle East and Southeast Asia and in the Persian Gulf. They stressed that disputes should be settled by peaceful means to the advantage of all interested sides.

The guests also had talks with the Deputy Foreign Ministers Mr Ivan Ganev and Mr Lyubomir Popov, chairman of the Committee for Affairs of the Bulgarian Orthodox Church and the Religious Denominations, with Mr Ivan Velinov, chairman of the Supreme Court,

with Mr Vasil Mruchkov, chief prosecutor of the Republic, with Chief Mufti Miran Topchiev, with the leadership of the Bulgarian side of the Commission for Economic and Techno-Scientific Cooperation Between Bulgaria and the PDR of Yemen and with the leadership of the Committee on Territorial Settlement Structure with the Council of Ministers.

WHO Experts on State of AIDS in Bulgaria

AU292103 Sofia BTA in English 2023 GMT 29 Sep 87

["Combatting AIDS Efficiently"—BTA headline]

[Text] Sofia, September 29 (BTA)—Experts of the World Health Organization, who are currently visiting Bulgaria in order to get acquainted with the measures against the spreading of AIDS, gave a press conference today. Their assessment: Bulgaria is in the early stage of the epidemic. The state responded very fast and undertook early measures to limit the infection. Bulgaria's advantage is that her blood transfusion centers had been well developed before the beginning of the epidemic and that is why the state had not imported blood and blood products from abroad. By very quick actions possibilities have been developed and created for laboratory diagnostics, which lessens the risk of spreading the infection through blood donors.

The World Health Organization will benefit from future cooperation, because Bulgaria has an efficient programme for the struggle against AIDS.

120,000 Bulgarian citizens have undergone AIDS tests, and 35 out of them are virus carriers. It was reported today that only last week 10,276 people were tested.

Army Daily Proposes Discussion on AIDS

AU301016 Sofia NARODNA ARMIYA in Bulgarian 28 Sep 87 p 2

[Captain Nedyalko Denev article "Everything Possible and the Whole Truth"]

[Text] Does the fact that the barracks fence represents a certain barrier against risk factors mean that we should remain passive toward the common struggle against AIDS? Is it possible that the innocent may become guilty?

As a citizen and as a human being, as a parent and a soldier, I am deeply concerned about the question: Will we survive? Is there a future for our children?

On the occasion of a very recent, optimistic television interview, in which a distinguished specialist reassured us that AIDS does not exist in our country, I asked some of my colleagues: "Are you convinced that everything is all right?" Some answered with a sigh, others with optimism, and others with a sense of humor. Generally speaking, the soldiers around me reacted noisily to my question, and we exclaimed almost in unison that things may be so, but if something happens in the barracks it would be most unusual and unexpected. Everything depends upon ourselves, but we are still waiting for someone to give us "instructions from a high and authoritative place."

I was greatly surprised when, the following day, I read this passage in our daily newspaper: "People in the army are really to be envied. Good conditions for educational work have been created there. Excellent facilities have been provided in the units, such as visual displays, leaflets, booklets, pamphlets, and all sorts of other materials have been supplied. . .

However, we in our detachment, are asking: If all this is true, why then, despite the existence of an excellent military hospital in our town, and despite the existence of a propaganda sector under the political apparatus, have these things not yet reached the subsections? Why, after specialists, public figures, and citizens all over the country, people with different professions, are crying out in alarm, are we still silent on this question? The idea that there is nothing to be afraid of on our front is unrealistic, it is incorrect to believe that this question does not exist here and will never arise. Whenever we hear such statements from our soldiers, however, even if they are meant to be jokes, we, commanders, are far from being happy.

At the other end of the spectrum there are the panicmongers. They are the ones who come to the army with "well-established" notions about AIDS and with the incomprehensible idea that you can "catch anything" in the barracks, let alone protect yourself from a disease such as AIDS.

There are other viewpoints as well. Both the commanders and the soldiers in our detachment do not have very clear notions about preventive methods and educational work among the soldiers. Let us cite a few excerpts from interviews with army personnel:

P.B.—soldier in his first year of service: I watch television and hear about AIDS. I have the feeling that this disease can only be caught among "civilians." We are in the army, however. Why are they trying to scare us?

G.K.—soldier in his second year of service: Someone in school said that if you catch a venereal disease, you cannot have children. Well, AIDS is not just the common "cold," but if you are careful, there is nothing to be afraid of!

Senior Lieutenant Georgi Khundurchev:—company commander—I talk to the soldiers on this subject, but apart from the information I get from the press, I cannot tell them anything specific regarding our conditions. I would like to hear authoritative competent opinions on this question. The fact that this company consists entirely of men makes conversation on this subject even easier.

Senior Lieutenant Pavlov—physician to the detachment: The soldiers are still uninformed. The fact that working groups are scattered in many places makes it impossible to keep every soldier under observation, so that irreparable damage may be caused. It is possible that we may suffer from a shortage of blood donors....

Captain Bordenyashki:—If we talk in the language of facts, there are favorable conditions in our detachment to expand propaganda work on this subject. Nevertheless, we are either still waiting for instructions from "above," or we lightheartedly dismiss the subject. I have often thought how effective it would be to use video equipment for health education....

I will not dwell on these statements, since they speak for themselves. There is no need to comment on them.

We could appear naive and surprised if we do not thoroughly analyze the specific conditions of life in the barracks and the problems connected with it. We cannot act at random, and just let things go. This is so, because no other disease has so sharply posed the question of observing all the rules of community life and human relations.

Are we, commanders, capable of coping with all requirements to protect our soldiers' lives? Can we always watch over our subordinates, wherever they go, on their guard duty, in the dormitories, or on the training ground? Have we ever bothered about what razors the soldiers in our detachment are using when they shave? The time will come to take care of this because, according to press reports, it has been found that infection can be caused by toothbrushes gathered in one place, or by the common use of nail-scissors, and so forth.

We could also be unprepared as regards "small", problems of everyday life, such as elementary medical assistance. Will the health instructor of our detachment, after 6 months of training, be able to cope with wound dressing in the doctor's absence? What about those so-called "sterile" instruments?

Would any one of our commanders in a sub-detachment dare to give first aid under field conditions, when he knows what may happen if the necessary sterile conditions are not available?

How will we react if there is confirmed (or ostensible) evidence that even only one soldier belonging to the so-called "risk" group exists among us? So far we have just laughed at such things. . .

Will we permit the virus of the century to invade our barracks, without fighting it and without deploying preventive efforts against it, just as we have (sometimes) allowed much more "inoffensive" little viruses, such as carelessness and irresponsibility, to penetrate? Is it not high time to sound the trumpet and mount an attack? Is there not a danger that we, the innocent, may become guilty?

Proposals:

The daily *Narodna Armiya* should publish objective and specific evaluations about the general state of AIDS and the factors influencing the infection of army personnel.

We should hear the opinions of scientists, specialists, and commanders on measures to be adopted to protect the health and combat strength of our soldiers' collectives.

All levels of authority should adopt strict measures on questions of loose sexual morals.

Let us think about new measures to ensure high standards of hygiene and disinfection in the daily life of army personnel.

POGLED on Glasnost, Democracy in Army

AU231428 Sofia POGLED in Bulgarian Issue No 38 21 Sep 87 pp 1,4

[Interview with Colonel General Atanas Semerdzhiev, chief of staff of the Bulgarian People's Army and first deputy minister of national defense, "edited" by Georgi Grozdev—date of interview not given]

[Excerpts] [Grozdev] Our meeting with Colonel General Atanas Semerdzhiev took place in the conference hall of the General Staff Headquarters of the People's Army. At the exact hour set for our interview, Colonel General Semerdzhiev entered the hall, but did not take the "chairman's" seat, proposing that someone else should take it. He said he was going to sit with the journalists, and added smiling:

[Semerdzhiev] I am ready to answer all your questions. I think however, that I will not limit myself to the problems of the organization and training of armed forces and to issues pertaining to our country's defense. We are meeting on the eve of the Bulgarian Army Day, but we could discuss economic, social, scientific-technical and other questions of restructuring. The people's interest in all these aspects of social life has greatly increased. [passage omitted].

[Grozdev] How can you appraise the state of technical equipment in our People's Army?

[Semerdzhiev] A small country is incapable of steadily rearming with all the new systems of weapons produced in the world. It is obliged to skip over certain new types of weapons, the more so since under the present-day conditions, exchanging certain types of arms, with more elaborate ones is taking place within short periods. However, I can assure you, that the defense potential of the Bulgarian Army is based on modern technical equipment. [passage omitted]

[Grozdev] To what extent can glasnost be applied in army life?

[Semerdzhiev] It is a well-known fact that there are certain areas and subjects in every country's information which cannot be accessible to the public. This applies to information on military secrets. There are other factors, as well, however, where glasnost has limits. One of them is the one-man-command principle. Our stand on this issue fully coincides with the opinion of our colleagues in the Soviet Union. There can be criticism about everything in the army, provided that the principle of the one-man-command is not violated. This is a principle of basic importance. Its undermining may result in disastrous consequences for the fighting capacity of the armed forces. This, however, does not prevent us from widely criticizing all shortcomings in the organizational and political work of the command staff, the encroachments against army regulations and instructions, as well as manifestations of poor discipline, rude behavior, and lack of concern for subordinates. [passage omitted]

We are waging an uncompromising struggle against nepotism, for example. Comrade Dzhurov, in person, and the entire leadership of the National Defense Ministry are involved in this struggle. Nevertheless, we cannot say that our efforts are receiving the well-deserved support from "the lower echelons," although our subordinates claim that, we "at the top", are too lenient and ready to compromise.

[Grozdev] What about bureaucracy in our army?

[Semerdzhiev] This question demands additional information. What is the meaning of "bureaucratization"? Many people think a bureaucrat is a man who sits at his desk and writes documents that create difficulties for others in accomplishing their tasks. At the beginning of the seventies the administrative departments of the Soviet defense system contained documents which could have filled dozens of thousands of volumes, each about 500 pages long. Dozens of millions of documents are added annually. An unenlightened person will promptly say: This is bureaucracy. No, comrades, it is not. During Karl Marx' life, human knowledge took 50 years to double, while in Lenin's time it doubled in 17 years, and in our days it doubles in 20 months! Another question is how we use contemporary information technologies, and whether we are thoroughly familiar with the computer. We are facing a long path in this respect, and therefore paperwork is accumulating.

The question of bureaucracy has an other aspect: There is a certain separation of the administrative organs, or, at least, part of them, from the practical work of the troops, a tendency of making a fetish of paperwork and creating false ideas and illusions, that by merely issuing written instructions the task will be automatically implemented. Such trends do exist, and we are struggling against them. We are cutting down on the administrative apparatus.

[Grozdev] Why is the amount of the military budget not published?

[Semerdzhiev] I think that the time for this will come.

[Grozdev] The process of restructuring is linked to conflicts and dramatic situations, although some people quite energetically deny this. Criticism is intensified. What do you think about the role of criticism in connection with the consolidation of national self-confidence and patriotism?

[Semerdzhiev] The question is difficult, indeed. As a citizen of our country I have my own opinion. The present imperialist policy of global confrontation with real socialism, a policy of social revanchism, is connected with our domestic problems among other things. What is the basic element of that "mechanism of stagnation" which is so widely discussed? It is the contradiction between increased productive forces and production relations which are no longer conform to them. [passage omitted]

What about my opinion on criticism and patriotism? Recently, I read an interview with the first secretary of the Omsk CPSU Oblast Committee in *Literaturnaya Gazeta*. Answering the question, whether discussing our shortcomings is not to our disadvantage, he answered: What is there to gained if we continue to live among the garbage accumulating daily in our homes? Should we suffocate, but remain silent? Is it not better to throw the garbage away, even if the neighbors are watching? However, in doing so, we should not be ashamed of our past, and lightheartedly discard everything we have accomplished since the days of the Great October Revolution. I recently read an interesting *Pravda* article on the subject, as well. [passage omitted]

I am in favor of objective, just criticism, but I reject that form of negativism which presents shortcomings and mistakes in a manner so as to erase and obscure all other things. This is my stand and I think that it cannot not be any different. [passage omitted]

Dzhurov Order on Army Anniversary Day

AU231313 Sofia NARODNA ARMIYA in Bulgarian 22 Sep 87 p 1

["Order of the Minister of National Defense of the People's Republic of Bulgaria," Army General Dobri Dzhurov, member of the BCP Central Committee Politburo, on Bulgarian People's Army Day]

[Text] Comrade officers, generals, and admirals,

Comrade soldiers, sailors, sergeants, and petty officers,

Comrade workers, technicians, engineers, and employees of the military enterprises and offices,

Soldiers in the reserve forces,

The Bulgarian people and their armed defenders are marking Bulgarian People's Army Day on the eve of the 70th anniversary of the Great October Socialist Revolution and the upcoming national party conference.

Our country's working people and the soldiers of the Bulgarian People's Army greet this bright holiday with optimism and high labor and political activity, prompted by the historical decisions of the 13th BCP Congress and the BCP Central Committee July Plenum on conducting a revolutionary restructuring of all areas of social life. This restructuring will turn the People's Republic of Bulgaria into a highly developed and civilized socialist country by the end of the century.

Today Bulgarian soldiers mark their combat holiday with new and higher results in combat and political training. The workers and employees of the military enterprises and officers and the military constructors mark the holiday with worthy working successes.

The soldiers and commanders of the Bulgarian People's Army are boundlessly loyal to the workers' class, the Communist Party, and their people and motherland. In the present explosive international situation, complicated because of the United States and NATO, they clearly understand their great responsibility in defending the cause of peace and socialism. With youthful zeal and pride they devote their forces, knowledge, and experience to constantly increasing their combat skill. They are always ready to implement their holy duty—in a uniform formation with the invincible Soviet Army and the fraternal armies of the Warsaw Pact member states to defend the achievements of socialism against the militaristic attempts of every enemy and aggressor.

Comrade soldiers and commanders,

Workers and employees,

Soldiers of the reserve forces,

I most cordially greet you on Bulgarian People's Army Day. I wish you and your families good health and even greater successes in combat and political training, strengthening discipline and the military collectives, and in your comprehensive activity aimed at elevating the army's power and the country's defensive readiness to a new qualitative level.

To mark Bulgarian People's Army Day

I Order:

Festive illuminations on 23 September 1987 in the capital of our motherland, Sofia, and in the cities of Plovdiv, Sliven, and Varna.

Long live the Bulgarian People's Army—loyal guard of our motherland and the cause of socialism and peace!

Long live and strengthen the unity and combat friendship among the fraternal armies of the Warsaw Pact, led by the invincible Soviet Army!

Long live the BCP—organizer and inspirer of all our victories!

Long live the People's Republic of Bulgaria—our dear motherland!

Army General Dzhurov, minister of national defense.

Filipov Speaks at Razgrad Oblast Meeting

AU262015 Sofia Domestic Service in Bulgarian 1730 GMT 27 Sep 87

[Text] In Razgrad today a conference was held of the oblast party, state, and economic aktiv, that examined the fulfillment of the plant for the oblast's scientific, technical, and socioeconomic development and the tasks lying ahead for the successful conclusion of the year.

Petur Petrov, first secretary of Razgrad Oblast BCP Committee, made an in-depth critical analysis of the work of the self-managing economic organizations during the first 8 months of 1987. It was stressed that as a whole the plan is being fulfilled in respect of the individual quality indices, but the results achieved are not satisfactory. Particular attention was given to weaknesses committed in labor organization, breaches of the plan with regard to contractual discipline, and inefficient use of the material and labor resources.

All this has led to a serious delay in the fulfillment of the construction program, especially in the work of making good the damage caused by the earthquake in Popovo. The scientific-technical front was slow in its operation. Not enough work was being done on further improving the system for supplying the population with agricultural products from its own resources, or on collective and individual activity for the additional production of commodities and services.

Comrade Grisha Filipov stressed that the great task of successfully fulfilling the plan for the year now requires that the work should be primarily concentrated in the area where its [word indistinct] is decided, namely in the labor collective and the work team. The municipal leaderships bear the entire responsibility, who must adopt specific measures to overcome the lagging behind and exercise daily control over the fulfillment of the plan. Now the main thing is to mobilize the working people, the whole population, in order to ensure production of the planned types of goods and to use the material and labor resources more efficiently.

Zhivkov Speaks at Architecture Academy Opening

AU211011 Sofia BTA in English 0821 GMT 21 Sep 87

[Text] Sofia, September 21 (BTA)—The International Academy of Architecture was officially opened today at the conference hall of the Bulgarian National Assembly in the presence of Mr.Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council.

We are deeply convinced in the great usefulness of the academy in promoting international contacts among architects, in developing world architectural practice and theory and in raising the qualification of the young architects, Mr.Todor Zhivkov said in his greetings address to the participants in the academy. The greetings address points out that the development of this profession requires favourable social conditions and above all peace and peaceful cooperation among the peoples. Military conflicts destroy values created by many generations of architects in the course of centuries. Needless to say, the consequences of a nuclear conflict would be disastrous, Mr.Todor Zhivkov observed.

In spirit and nature architecture is an antipode to war. This is why you architects have always been champions of peace, disarmament and friendship among the peoples, he said.

Greetings addresses were also delivered on behalf of UN secretary general Mr Javier Perez de Cuellar, of the President of Mexico, of the Prime Minister of India, of UNESCO and of other international organizations.

The setting up of an international academy is an expression of an imminent need for rationalizing the processes and phenomena in modern architecture, for raising its social role and for developing the theory of architecture, Mr Georgi Stoilov, chairman of the Academic Council and chairman of the Union of Architects of Bulgaria said in his speech.

The academy is an independent international nongovernmental democratic organization, established under the aegis of the International Union of Architects. Its principal aims are to encourage the development of architecture and to work out new ideas in the building of the living environment.

The academy is a universal, open organization and it will work with all architects, with all countries and national architectural organizations. It will work in the three main spheres of architecture: theory and scientific research, design and education. There have been set up a Scientific Research and Design Institute "Interproekt", a Higher School for Qualification "Santo Kiriko" (at the "St. Cyril" monastery in the Rhodope mountains, south of the city of plovdiv) and the *Interarkhitektura* magazine.

The academy will support itself by design work and by financial aid and donations.

Jakes Receives USSR's Krivosheyev

AU291809 Bratislava PRAVDA in Slovak 23 Sep 87 p 1

[CTK report: "Comradely Chat"]

[Text] Prague (CTK)—Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, yesterday [22 September] received Vladlen Krivosheyev, head of a section at the Institute of Problems of World Socialist System attached to the USSR Academy of Sciences, who is currently paying a working visit to the CSSR. In a comradely chat they exchanged views on the orientation of the work on the joint prognosis project of Czechoslovak-Soviet economic relations from the viewpoint of ensuring the strategy of acceleration of the economic and social development of the two countries, determined by the CPSU and the CPCZ Congresses. The chat was attended by Zbynek Sojak, head of a CPCZ Central Committee department. Valtr Komarek, director of the Prognostic Institute attached to the Czechoslovak Academy of Sciences, was also present.

Further Reportage on PRC Minister's Visit

Third Session Begins

AU291540 Bratislava PRAVDA in Slovak 23 Sep 87 p 2

[CTK report in the "International Relations" column]

[Text] The third session of the Czechoslovak-Chinese Commission for Economic, Trade, and Scientific-Technical Cooperation began in Brno yesterday [22 September]. The CSSR delegation is led by the head of the Czechoslovak side of the commission, CSSR Minister of Foreign Trade Bohumil Urban. The PRC delegation is headed by the chairwoman of the Chinese side of the commission, Minister of Water Resources and Electric Power Qian Zhengying.

Cooperation Discussed

AU291702 Bratislava PRAVDA in Slovak 24 Sep 87 p 2

[CTK report in the "International Relations" column]

[Text] Vlastimil Ehrenberger, CSSR minister of fuels and power, yesterday [23 September] received Qian Zhengying, PRC minister of water resources and electric power, who is heading a delegation to the third session of the Joint Czechoslovak-Chinese Commission for Economic, Trade, and Scientific-Technical Cooperation. The two counterparts assessed further possibilities of cooperation in power engineering.

Visit Ends

LD301026 Prague Domestic Service in Czech 0300 GMT 30 Sep 87

[Text] Qian Zhengying, Chinese minister of water conservancy and electric power, chairwoman of the Chinese part of the Commission for Economic, Trade, and Scientific-Technical Cooperation, left Czechoslovakia yesterday. She was in Prague to take part in the third session of the Czechoslovak-Chinese commission. She was seen off at the airport by Bohumil Urban, minister of foreign trade and chairman of the Czechoslovak part of the commission; Eduard Saul, minister of metallurgy and heavy engineering; and Zhang Dake, Chinese ambassador to Czechoslovakia.

More on Delegation's Visit to Canada

AU291710 Bratislava PRAVDA in Slovak 24 Sep 87 p 7

[CTK correspondent report: "Czechoslovak Parliamentary Delegation in Toronto; Let Us Develop More Extensive Contacts"]

[Text] Toronto (CTK Special Correspondent)—Lincoln Alexander, governor of Ontario Province, received a delegation of the CSSR Federal Assembly headed by its chairman Alois Indra, in Toronto yesterday [23 September]. In a talk, the two representatives expressed their countries' interest in deepening and expanding political, economic, and cultural relations between Czechoslovakia and Canada.

A. Indra noted that not nearly all possibilities for cooperation are being made use of, and stressed in this connection the importance of economic and trade contacts for relations between countries having different social systems. The delegation of Czechoslovak deputies then met with Hugh Edinghoffer, chairman of the Ontario Province supreme legislative body. In a detailed talk they assessed the existing level of the two countries interparliamentary relations and expressed the hope that the visit by the deputies of the CSSR Federal Assembly to Canada will be an impetus for their further deepening.

The same day A. Indra and members of the delegation paid a visit to the largest Canadian nuclear power plant in Pickering, northeast of Toronto. Canada has an immense potential, above all, of water resources. Despite that, it attaches exceptional importance to the development of nuclear energy. Nuclear capacities today account for about 15 percent of the overall electricity generation, and their share will continue to increase in the future.

Adamec Receives West German Official

LD292314 Prague CTK in English 2024 GMT 29 Sep 87

[Excerpt] Prague Sept 29 (CTK)—The visiting delegation of the land diet of North-Rhine-Westphalia, led by its president Karl-Josef Denzer, was received here today by Josef Kempny, chairman of the Czech National Council.

Josef Kempny evaluated relations between Czechoslovakia and West Germany stating that they are positively developing in all directions. He pointed out the past ten years of cooperation between the Czech Socialist Republic and North Rhine-Westphalia and their parliaments which in fact represented a bridge for the establishment of closer contacts between Czechoslovakia and West Germany.

He also underlined that trade exchange between the two countries is increasing every year as well as the number of cooperation agreements, and pointed to extensive possibilities of cooperation in solving ecological problems.

Karl-Josef Denzer also called for closer cooperation in environmental protection which should centre on the exchange of scientific findings and modern technologies, and on deliveries of progressive desulphurization equipment. North Rhine-Westphalia is one of their leading world producers.

The West German official emphasized the importance of mutual understanding and dialogue between countries with different social systems and added that after the past full of suffering it is now necessary to ensure peace in Europe.

The delegation of the North Rhine-Westphalia land diet arrived here yesterday, at the invitation of the Czech National Council chairman.

The delegation of the Land Diet of North Rhine-Westphalia, led by its President Karl-Josef Denzer, was also received today by Czech Premier Ladislav Adamec in the presence of other members of the Czech Government, Czech National Council Chairman Josef Kempny and West German Ambassador to Czechoslovakia Werner Schattmann.

Ladislav Adamec said that such talks as the current dialogue contribute to better understanding and stronger confidence needed for good cooperation. In the decade of their contacts, the Czech Socialis Republic and North Rhine-Westphalia have been seeking a joint solution of pressing problems of the living environment. Their experience can be used in the development of cooperation in production, trade and cooperation in culture and education. Balanced and constructive relations between the two countries also help strengthen peace in Europe, the Czech premier said and stressed the importance of the forthcoming Soviet-U.S. treaty on the liquidation of medium- and shorter-range missiles.

Karl-Josef Denzer said it was too early to assess the results of the current talks, but they are very frank and show efforts to solve all problems of mutual cooperation. Much interest ensues from them for enterprises and credit institutions of North Rhine-Westphalia which are interested in joint ventures.

He spoke about the historic lesson of the need to strive for life in peace and said he had the impression that both sides have sufficient will to do everything for a future without weapons and the threat of war. [passage omitted]

Gerle Receives Belgian Secretary of State

LD191234 Prague CTK in English 1622 GMT 18 Sep 87

[Text] Prague Sept 18 (CTK)—Czechoslovak Deputy Premier Ladislav Gerle received here today Belgian Secretary of State for Foreign Trade Etienne Knoops, who is visiting Czechoslovakia.

They discussed ideas for deepening economic and scientific-technological cooperation between the two countries. The two representatives also paid attention to new projects of cooperation in metallurgy, heavy engineering, electrical engineering, health care and to the possibilities of forming joint ventures.

The same day Czechoslovak Deputy Premier Ladislav Gerle received also representatives of the French Ministry of Industry.

Husak Congratulates Belgian CP Leader

AU291751 Bratislava PRAVDA in Slovak 24 Sep 87 p 1

[CTK Report]

[Text] Prague (CTK)—Gustav Husak, general secretary of the CPCZ Central Committee, has sent a congratulatory telegram to Louis van Geyt, chairman of the Belgian Communist Party, on the occasion of his 60th birthday.

Bilak Receives Prominent Spanish Communist

LD291643 Prague CTK in English 1636 GMT 29 Sep 87

[Text] Prague Sept 29 (CTK)—Czechoslovak Communist Party presidium Member and Central Committee Secretary Vasil Bilak received here today a delegation of the Communist Party of the Peoples of Spain, led by Secretary of the Central Committee Jaime Ballesteros.

The two representatives informed each other about the situation in their countries and parties, and voiced full identity of opinions of the two parties on the present international situation and the development in the international communist and workers' movement.

They expressed joint readiness for further extension of cooperation between the two parties and supported the course of the unification of the communist movement in Spain.

Bilak Decorates Norwegian Communist

AU240845 Prague RUDE PRAVO in Czech 18 Sep 87 p 1

[CTK report: "Order of Friendship for Ib Norlund"]

[Text] Prague (CTK)—Vasil Bilak, CPCZ Central Committee Presidium member and Central Committee secretary, presented Ib Norlund, member of the Executive Committee of the Communist Party of Denmark and secretary of its Central Committee, with the Order of Friendship Thursday [17 September].

The decoration was conferred upon Ib Norlund by the CSSR President on the occasion of his 70th birthday, for his personal contribution to the consolidation of friendship and cooperation between the CPCZ and the Communist Party of Denmark, and between the people of both countries.

Later the two representatives discussed certain issues of cooperation between the CPCZ and the Communist Party of Denmark. The reception, which was held in a friendly atmosphere, was attended by Michal Stefanak, CPCZ Central Committee department head.

Details on First Joint Western Venture

AU261807 Bratislava SMENA in Slovak 24 Sep 87 p 3

[Article by Dusan Krajcik: "The Most Important Thing Is To Start"]

[Excerpt] [passage omitted] The joint Czechoslovak-Danish TESSEK enterprise originated on the basis of the majority stake of the Czechoslovak Tesla-Measuring and Laboratory Appliances concern in Brno and the Danish firm Senetek. It is the first enterprise of its kind in our country. Its operations started on 1 January 1987 and it can be said that its founding was a case of swift response to the CSSR Government Resolution No. 102 of July 1986. It is an enterprise with high commercial and technological efficiency in the sectors of biotechnology, clinical diagnostics, and concomitant technical appliances. While at least 50 percent of its production is designated for the markets of freely convertible currencies, the enterprise simultaneously ensures tasks within the comprehensive program for the CEMA countries' scientific and technical progress through the year 2000. To safeguard optimal exports of the products of this joint enterprise to nonsocialist states, the two partners set up in Denmark the TESSEK Aerhus service and commercial outfit. The capital stock of the association at the start of its operations was $2 U.S. million, of which Tesla accounted for 51 percent. What is important is that the entire Czechoslovak contribution was in a non-monetary form; we contributed the use of industrial rights, of existing plant and equipment, and know-how. Being an experiment, TESSEK is excluded from national economic planning and management. It must cover all its costs and payments from the proceeds of the sale of its products on domestic and foreign markets. This joint enterprise is not subordinate to any sector in Czechoslovakia; its supreme body is a 7-member administrative council, which has 4 Czechoslovak and 3 Danish members. The beginnings of this enterprise are characterized by one more thing. It did not get any subsidies to start business and had to take credit. Although it sustained a small loss in the first quarter of its operations, it not only eliminated this loss by the end of the half-year, but even recorded a relatively high profit. [passage omitted]

Bilak Addresses Ideological Commission

AU291951 Prague RUDE PRAVO in Czech 23 Sep 87 p 1

["z"-signed report: "CPCZ Central Committee's Ideological Commission Met; High Demands On the Work Of Information Media"]

[Text] Prague (z)—The Ideological Commission of the CPCZ Central Committee held a meeting in Prague on Tuesday [22 September]. The meeting was presided over by Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee.

Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee, spoke at the commission's session about the historical experience from the political and social struggles of the working people and their importance for the restructuring of CSSR society.

CPCZ Central Committee Secretary Josef Havlin spoke about the main tasks of the front of social sciences in realizing the strategy of acceleration.

In an extensive discussion, the members of the Ideological Commission complemented the issues discussed and contributed to improving the quality of the materials submitted.

Delivering the final speech, Vasil Bilak stressed the great responsibility of the ideological front in the current period. He noted the significance of the important anniversaries next year: 40 years of the February victory, 70 years since Czechoslovakia's founding, 50 years of the Munich betrayal, 20 years since the CPCZ Central Committee's session in January 1968, and the events that followed that session. It is necessary to use these anniversaries to strengthen the CPCZ's position, to strengthen the ties between the party and the people, to strengthen socialism and our alliance with the Soviet Union—Vasil Bilak said. The present time puts great demands on the work of the information media, which must react quickly and truthfully. Restructuring is a complex and long process. We must approach its realization with initiative. We must learn a lot and avoid mechanical copying. What we are doing today is not at variance with our socialist development.

It is necessary to clearly say that restructuring is not a campaign, but an entire historical stage which we are entering. We cannot back down in the face of difficulties. Restructuring is objectively inevitable. We must proceed consistently, but prudently. People want to be sure that the party will not permit any haphazardness, nothing that would weaken socialism, Vasil Bilak said further.

In conclusion, Vasil Bilak demanded that the ideological front be offensive and firm. The important task in our ideological work is to extensively help to explain the restructuring, its objectives, purpose, necessity, potential, but also its risks and problems. There is no need to sidestep any question posed by developments. It is necessary to take principled and clear standpoints from the positions of Marxism-Leninism. Only in that way will we overcome obstacles and the ups-and-downs which crop up on any road.

Youth Union Official on Free Expression

AU291720 Prague MLADA FRONTA in Czech 19 Sep 87 p 1

[Article by Pavel Hrabica, delegate to the Socialist Youth Union Congress in the Czech SR, in the "Food For Thought On Saturday" column: "There Are Things To Be Discussed"]

[Text] I was leaving a meeting of delegates to the Socialist Youth Union [SYU] Congress in the Czech SR. At the meeting subjects were discussed which should be addressed by the Congress. What about you? I asked someone on the staircase in a friendly manner. What will you talk about? She shrugged her shoulders: "What should I say? Everything has been prepared and approved in advance anyway." Allegedly it has always been like that. After all, we cannot tell one another what we think, just like that. I do not know how "things always used to be," but the conferences as well as the SYU Congress in the Slovak SR last week, which I attended, convinced me that we really discuss everything we recognize as being suitable and useful at our deliberations.

I even have an example where the assertion about discussion being approved in advance will not hold water. One of the delegates to the Prague City conference spoke about the model of the SYU functionaries, and as an example he named a member of the Presidium and secretary of the SYU Central Committee, who at an important event—in contrast to the rest of the participants—was not wearing the union's uniform and behaved in a standoffish way toward the SYU rank-and-file members. The representatives of the SYU Central Committee accepted criticism at the conference, although it was not at all pleasant at such a big forum. But that is not important at the moment. By this I want to say that the participant in the discussion did not seek advice or ask permission to say the words he said in front of hundreds of participants. I, too, took part in the discussion at the same meeting. I only handed in an application [to be put on speakers' list] during the deliberations. No one came sneaking up on me to ask what I want to speak about. I thought this absolutely normal and natural, even though I do not claim to have never met with an effort to the contrary...

Today is Saturday. The telephone rang 3 days ago. I was phoned by the secretary of the district committee, to which our SYU primary organization is subordinated: "You are a delegate to the Czech [SYU] Congress, you know?" he says. "Good. You will discuss a section and dictate to me what it will be about!" I objected. Clearly, I wanted to take part in the discussion. I even knew what I would discuss. But I did not know that someone had decided it for me. I asked why. At a consultation of the district committee he was allegedly given a list of names. He, supposedly, is only fulfilling his duty.

Whose idea was it to ensure in advance a problem-free discussion? Was it the idea of the Czech SYU Central Committee? I am convinced that this is not the case! I remember very well the words of the chairman of the Czech SYU Central Committee at a meeting of delegates that everyone is to be prepared to discuss what bothers him and what he himself regards to be important. It was, then, obviously someone who was afraid that he will have nothing to talk about, who did not want to have complications arising from someone saying something critical.

This year's conferences and the SYU Congress in the Slovak SR proved that he who wants to say something, says it. If there is an important valid principle, let it be the following: I am here to express myself. In a case to the contrary there should be someone completely different in my place.

Lenart Visits, Discusses Restructuring

LD241608 Prague Domestic Service in Slovak 1300 GMT 24 Sep 87

[Text] Jozef Lenart, member of the CPCZ Central Committee Presidium, first secretary of the CPSL Central Committee, today went on a working visit to the trade union research and production unit, the research institute for mechanization and automation in Nove Mesto nad Vahom. In connection with the restructuring of the national economy he was interested in the readiness of the institute to secure its activity by means of more modern and progressive methods in the interest of increasing the effectiveness and quality of production in enterprises of the electrical engineering and engineering industries.

In a conversation with the workers he pointed out that restructuring provides great opportunities which must be made use of so that not only this institute, but also other similar organizations which provide new technology for

production enterprises, can markedly perfect their activity. He pointed out that there must be a new approach to making new equipment available, an unavoidable factor of which is the removal of all limiting administrative processes.

CPCZ's Pitra Visits Litomerice District

LD282234 Prague Domestic Service in Czech 2030 GMT 28 Sep 87

[Text] Frantisek Pitra, candidate member of the Presidium and secretary of the CPCZ Central Committee, paid a working visit to Litomerice District today. Following a visit to the statewide exhibition of fruit, vegetables, wine and hops called "The Garden of Bohemia" in Litomerice, he said that the exhibition graphically illustrates results achieved in our large-scale production sphere and by small-scale growers. He also met with representatives of the (Severofrukt) fruit and vegetable enterprise which combines 35 members' organizations. In a conversation Frantisek Pitra expressed interest in agricultural workers' comments on the draft bill on agricultural cooperatives.

Adamec Pays Working Visit to North Bohemia

LD240941 Prague Domestic Service in Czech 1930 GMT 23 Sep 87

[Text] Ladislav Adamec, member of the CPCZ Central Committee Presidium and Czech premier, paid a working visit today to the North Bohemian Region. In a talk with Vaclav Sipek, leading secretary of the regional party committee; Vaclav Slapak, chairman of the regional national committee; and other regional officials he concentrated on the fulfillment of the tasks of the area development plan for the North Bohemian Region in the Eighth 5-year Plan and on the solution of problems arising in its implementation. He was particularly interested in improvements to the environment, capital construction projects, the development of industry, and the creation of further conditions for the contentment of the people.

Comrade Ladislav Adamec also paid a visit to the North Bohemian Chemical Works in Lovosice, where he focused attention on tackling problems of quality and on the structure of production in the future. He wound up his working visit to the North Bohemian Region by touring the Garden of Bohemia national exhibition of fruit, vegetables, wine, and hops in Litomerice.

Herman Addresses Group in Brno

LD251632 Prague Domestic Service in Czech 1030 GMT 25 Sep 87

[Text] Vladimir Herman, candidate Presidium member of the CPCZ Central Committee and chief secretary of the party's South Moravian regional committee, addressed in Brno today a session of the regional committee of the National Front. He spoke about the current economic situation in the region and the tasks of the National Front in the process of restructuring. He said that the results of the first half of the year in industry are favorable for the fulfillment of the majority of volume indices but involve higher material investments and higher consumption of fuels and ferrous metals. He drew attention to the fact that initiatives of the Central Council of Trade Unions, Prague appeal, and brigade forms of work and remuneration are being insufficiently implemented in the majority of work places. He said that one of the causes of these failures is inefficient influence of the organizations by the National Front and insufficient assessment of results in labor collectives. Social organizations must move people to action, involve them in restructuring, and unite their interests, Vladimir Herman said.

Honecker Interview to Finnish Press
AU301029 East Berlin NEUES DEUTSCHLAND in German 29 September pp 3,4

["Interview with Erich Honecker for Finnish journalists" in East Berlin "last weekend"]

[Text] East Berlin (ADN)—The interview that Erich Honecker, general secretary of the SED Central Committee and GDR Council of State chairman, granted last weekend to journalists from the Finnish newspapers, *Helsingin Sanomat, Suomenmaa, Suomen Sosialidemokraatti, Hufvudstadsbladet, Turun Sanomat, Tiedonantaja* and *Kansan Uutiset*, has the following text:

Question: What expectations does the GDR have of the visit by the Finnish state president for further shaping bilateral relations?

Answer: I am looking forward with joy to this meeting with your state president, Dr Mauno Koivisto. It will give the chance to discuss both topical international problems and issues of bilateral relations. As for world problems, despite continuing international tensions, those forces that advocate peace, disarmament, and detente have undoubtedly gained ground. Relations, dialogue, and cooperation between the GDR and the Republic of Finland are also contributing to this. This collaboration between our two countries is—and I would like to stress this—exemplary for relations between states from different social systems. Finland's policy of detente and peaceful cooperation is regarded highly in the GDR. Your country will always have a reliable partner in our republic with this policy.

A balance sheet of our bilateral relations, especially since my visit to Finland 3 years ago, reads positively. This will come as no surprise to attentive observers. We will continue along this route. We would like to have a concrete exchange on future directions for the development of our good-neighborly relations, and I expect that a new impetus will result. The signing of new agreements will benefit peaceful cooperation and exchange between our two countries.

Question: Structural change is a concept that denotes the goals of economic development and, beyond that, of society too, both in Finland and in many other countries. Is it in the GDR's current vocabulary? What new things can GDR citizens expect in the coming years in their everyday life?

Answer: The GDR is, as you know, a modern socialist industrial state. It can maintain and expand this position only if it keeps step with the constant introduction into production of the latest science and technology. This for us is the decisive task in the area you have raised. We regard the shaping of the developed socialist society in the GDR not as something static, but as an historical process of far-reaching political, economic, social, intellectual, and cultural change. We are always faced with the task of striding along new routes to solve issues and problems of social development.

At the start of the seventies we accomplished the changeover in our national economy to the comprehensive intensification of production and the close linkage of the scientific and technical revolution with the advantages of socialism. Our party's economic strategy has been worked out in concrete terms and improved further, with a view to the year 2000, in the period since then.

Our concern is to increase the efficiency and quality of production significantly and to ensure a stable, dynamic growth of the national economy through comprehensive intensification and broad application of key technologies. Of course, we have always been improving further the system of management, planning, and economic cost accounting.

A decisive step was, at the end of the seventies and the beginning of the eighties, the formation and development of combines in the centrally and bezirk managed economy. We regard the combines as the backbone of our socialist planned economy. They have all the necessary intellectual, material, and financial potential to master comprehensive national economic projects with their own resources. The combines decide on around 90 percent of the number of research and development tasks, nearly 80 percent of financial resources, and the work of about 70 percent of those employed in science and technology.

The GDR today is one of the few states in the world in which the micro-electronics complex is being built up. This includes the corresponding fundamental research. We are producing crucial equipment. We are preparing ourselves for 1 and 4 megabit memory circuits. We are manufacturing 8 and 16 bit computers and, in addition, 32 bit computers. In our national economy at the end of June this year, 31,000 CAD/CAM work stations and systems were in operation, along with 73,000 industrial robots.

It is of great importance that in 1986, it was possible to achieve a growth in national income of 4.3 percent, exclusively by means of increased labor productivity. In connection with this, working and living conditions for the workers are changing. The rapid development of high technologies, to which I have already referred, will penetrate all areas of our society and of the life of citizens.

To this end, we are striving for a solution to the housing question as a social problem by the year 1990, and also for a constantly better range of consumer goods, expansion of services, and the enlargement of the leisure sphere. We have carried out, and are carrying out, all of these processes without structural crises or social shakeups.

Question: Which outstanding results hav been achieved in economic and social policy after the 11th SED congress?

Answer: At the center of our efforts to fulfill the decisions of the 11th SED congress is consistent continuation of the proven course of the unity of economic and social policy. This means that the economic successes immediately benefit the increasing of the workers' material and cultural living standards.

By continuing the thorough modernization of production and the increasing of its efficiency, preconditions are being created to augment the people's well-being. The widescale introduction of key technologies, at high speed, into all spheres of the national economy, the accelerated application of micro-electronics, the installation of flexible automatic production sections, and the implementation of CAD/CAM solutions are all targeted at significant increases in labor productivity.

What has been achieved? In 1986, national income rose by 4.3 percent, net production in industry rose by 8.5 percent, and labor productivity rose by 8.8 percent. Results so far allow for similar expectations for 1987. In agriculture as well, despite unfavorable weather conditions, the record harvest of the previous year was almost repeated.

On the basis of stable and dynamic economic development, full employment and social security with a constant increase of the standard of living are now guaranteed in the GDR. In 1986, about 215,000 homes were newly constructed or modernized. In the first half year of 1987, the figure was almost 102,000 homes. Everything indicates that we shall achieve our target of solving the housing question as a social problem by 1990.

Let me also mention that in our country the prices of basic commodities, rents, services, and fares have been stable for decades while the real income of GDR citizens has doubled since 1970.

Question: Western Europe is afraid of lagging behind the United States and Japan in the development of technology and trying to meet this challenge by uniting. How is the GDR ensuring that it will not miss the train of international technological development?

Answer: We cannot miss it, we are already sitting in the train. The rapid speed of technological development is a challenge which we have met. We are striving to meet this challenge by efforts both on a national and an international scale. Of course, cooperation with the USSR and the other members of CEMA play a special role in this. Long term programs exist for cooperation in science, technology, and production between the GDR and the USSR and within the CEMA framework. These are directed at close collaboration in the development and application of highly specialized technologies and in securing a high scientific-technological standard of products. During my visit to Sofia which has just ended, I signed such a program up to the year 2000 for the GDR and the Peoples Republic of Bulgaria, together with Todor Zhivkov.

At the present time, the GDR is utilizing 30 percent of its scientific-technological potential and 50 percent of its budgetary allocation for science and technology for the fulfillment of these joint programs. We also attach great value to international scientific-technological cooperation that goes beyond the framework of the socialist countries. In this field there are also many reserves. There are also artificially erected obstacles to overcome—I am thinking of the so-called COCOM [Coordinating Committee for Multilateral Export Controls] lists.

The precondition for an effective development of scientific-technolgical cooperation is a high standard of science and technology in one's own country. Starting from this realization, the GDR is undertaking great efforts toward the development of its academic potential. What was and is necessary is the concentration of a great part of the intellectual, financial, and material resources of our country on those technologies which are decisive for the growth rate of labor productivity in the entire national economy, and which are for this reason designated by us as key technologies. I will mention here only computer technology and biotechnology.

Almost 6 percent of our national income annually is used for science and technology. This corresponds approximately to the expenditure by other developed industrial states. Additional resources must also be expended on the expansion of the production basis for such technologies.

Of greatest significance is the integral interrelationship of science and production which has been achieved in recent years. On the basis of economic agreements, combines and academic institutions are working jointly on crucial tasks. This form of coordination of research and production stimulates and guides research and also ensures a rapid transfer of research results into production.

Question: When Soviet medium-range missiles were deployed on GDR territory as "counter-counterarmament" against the Western Euromissiles, you made it clear that people in the GDR were not exactly pleased at this. These missiles now seem to be disappearing. Do you think that relatively small states such as the GDR can make a contribution toward further efforts, for example under the umbrella of the CSCE?

Answer: We welcome the agreement reached recently between the USSR and the United States concerning the elimination of an entire weapons systems, the nuclear medium-range missiles. In this way, for the first time, an approach to nuclear disarmament is made possible. Our declared aim, I would like to emphasize, never is and

never has been nuclear armament, but rather the protection of mankind from a nuclear catastrophe and the liberation of the world from nuclear weapons. It is now a matter of taking the next steps in order to cross the threshold into the year 2000 free of nuclear weapons. As in the case of nuclear medium-range weapons, the support of all countries is necessary, of large, medium-sized, and small, for an agreement on the elimination of all other systems.

The course so far of the CSCE process which you mention is proof of the great usefulness and high value of such a contribution. The Helsinki Final Act has proved to be a sure foundation for a European peace order not least because the ideas and concepts of so many states have flowed into it. The same is true of the Stockholm document which was passed in less than a year at the end of the first stage of the Conference on Confidence-Building Measures, Security, and Disarmament in Europe.

Finland itself has shown, by means of its great involvement in promoting the CSCE process, what a so-called small state can achieve. The European states are now facing the task of formulating a mandate for negotiations on conventional disarmament from the Atlantic to the Urals in the form of this already proven cooperation. But, in addition, initiatives by individual states which go beyond the framework of the actual CSCE process have already shown positive effects, and have given new impetus to the discussion on arms limitation and disarmament. I am thinking only of the initiative by Olof Palme, former prime minister of Sweden, for the creation of a nuclear weapons-free corridor in central Europe which, as is known, was taken up by the GDR and the CSSR in the form of an official negotiating proposal.

Question: Are there realistic opportunities for establishing an area without nuclear weapons in central Europe?

Answer: Nuclear weapons must and can be eliminated, and worldwide. The socialist countries have submitted appropriate proposals to this end, as you know. The aim of these initiatives is to banish the danger of nuclear self-annihilation by mankind by reducing nuclear weapons drastically and eliminating them completely by the turn of the century.

Obviously, this is possible only in a step-by-step manner. Regional solutions can pave the way for global ones here. Therefore, the GDR has been involving itself from the very beginning on behalf of the idea of the Palme Commission of establishing an area free of nuclear weapons in central Europe. Together with the CSSR, we have proposed to the FRG Government negotiations on the formation of a nuclear weapon free corridor in central Europe, in order to reduce the nuclear threat, precisely at the highly sensitive dividing line between the Warsaw Pact and NATO, and to create trust. This would considerably raise the security of all European peoples. The importance of our joint proposal will increase further with the elimination of nuclear medium-range missiles. Its implementation would eliminate, at the dividing line between the two alliances, more nuclear weapons systems, the range of which is below that of the eliminated medium-range missiles. This would also have a positive effect on the nonnuclear sphere, for the withdrawal from the corridor of so-called dual-purpose launch systems, which has also been proposed, would also remove a significant potential in the conventional weapons sector.

So, more than ever there is now the need and the chance to rid central Europe of all nuclear weapons.

Question: What do you think about your visit to the FRG? What opportunities do you see after your visit to the FRG for deepening and improving relations between the two German states?

Answer: As I stated at the end of my official visit to the FRG, its results represent a success for the policy of reason and realism and a gain for people and for peace. What must be emphasized in particular is the agreement between myself and Federal Chancellor Kohl that the two German states bear a special responsibility for peace, because of their common history. After their sorrowful and painful experiences during the first half of our century, the European peoples rightly expect, especially in the nuclear and space age, that particular efforts should come from the two German states for peaceful coexistence in Europe. Following this realization, the desire for understanding and cooperation dominated in the meetings.

In this way, it was possible to achieve great agreement in the matter of safeguarding peace in many talks. I would like to emphasize here just the shared view with regard to an agreement on the elimination of all the medium-range missiles of the United States and the Soviet Union, which would result, in the view of both of us, in positive effects for other spheres of disarmament and for East-West relations. We also achieved good progress in the development of bilateral relations. Evidence of this is the conclusion of accords and agreements in the areas of environmental protection, science and technology, and radiation protection.

Of course, we also discussed the most varied aspects of the further deepening and shaping of our relations. There are undoubtedly still many opportunities here, especially with regard to economic and trade relations. I am certain that they can be tapped for mutual benefit, if both German states are guided in their conduct by realism, faithful fulfillment of agreements, and good will as well as by natural respect for the norms of international law.

Question: What concrete significance does the CSCE process have for the development of relations between the GDR and the FRG, and what expectations do you link to it for the future?

Answer: The pan-European process of security and cooperation initiated with the Final Act of the Helsinki conference does not exist in a vacuum. Tensions between the participating states and deteriorations in the international situation influence it negatively, while relaxed relations between states and a favorable international environment encourage it. Therefore, the GDR has done everything in its power to ensure that no burden arises from relations between the two German states for the CSCE process, but that, on the contrary, positive impulses arise.

It is equally important that favorable effects emanated from the Helsinki process for the bilateral relationship between the GDR and the FRG. This is particularly true of the multilateral recognition of political and territorial realities in Europe which was included in the CSCE Final Act. Strict respect for and implementation of the code of principles of the Final Act and, above all, of the principles of inviolability of borders, sovereignty, and territorial integrity are, for the reason, not only a fundamental condition for peace in Europe. At the same time they are a foundation for the development of good-neighborly relations of peaceful coexistence between the GDR and the FRG. As far as prospects for bilateral and multilateral cooperation are concerned, the documents of the CSCE process offer both concrete fields and also a long-term future-orientated framework for the construction of the "European House".

Question: What is the GDR's stand on the development of European integration?

Answer: In our view, the most significant development in Europe is the one which leads, within the framework of the CSCE process, to more security, trust, and mutually advantageous cooperation between all states in our continent, regardless of social order and membership of existing forms of integration. However, economic and political processes of integration in other frameworks are also part of the realities of our continent. It is important that such processes are not directed against other countries, whether these be members of another grouping of states or whether they are outside such forms of integration.

It is a matter of reasonable, mutually advantageous cooperation on the basis of the facts. For precisely this reason, the CEMA states have proposed a joint declaration by the CEMA and the EEC concerning the start of official relations and to introduce a new phase in relations between the two largest integration blocs in Europe.

Question: The SED and the SPD recently published a joint paper on fundamentals. How did this concept arise, and what is its aim?

Answer: The document "The Battle of Ideology and Joint Security" came into being as the result of constant contacts and talks between the SED and the SPD, in which agreement of views in security matters emerged. This had already resulted in joint initiatives by the two parties for nuclear-and chemical-weapons-free zones in central Europe. The precondition for the joint elaboration of the document was fundamental agreement that, in the nuclear era, the preservation of peace is the transcendent issue in international relations and that, for this reason, a new thinking in security matters must be implemented.

The document starts from the realization that, in view of the accumulated arsenals of methods of mass destruction, there can only be either joint survival or joint demise in a nuclear holocaust. For this reason, the prevention of a nuclear war has become the central issue in international relations. At the same time, the fight to preserve peace cannot be impeded by differing viewpoints in ideology or politics. Peace, ending of the arms race, and detente are in the interest of both systems, of all states, and of all peoples.

The argument about which social system is better can only be conducted if the history of mankind continues. For this reason, it is stated in the document that the argument between the differing systems can only be conducted in the form of peaceful competition, free of force. Objective dialogue in the knowledge that security can only be realized not against one another, but only with one another, is in accordance with the requirements of the time.

By means of the document "The Battle of Ideologies and Joint Security", the two parties have given an example of how commonly-held points can be made effective in the peace issue above and beyond differing opinions. Thus they have made an important contribution to the most burning issue which confronts mankind.

Question: Mr State Council chairman, at the beginning you mentioned that you expect new impetus for cooperation from the talks with President Koivisto. What have you in mind, in concrete terms?

Answer: In particular, I see impetus for cooperation in the sphere of peace policy. Finland, just like the GDR, is developing important initiatives in this; I am thinking in the first place of the efforts by our two states for the creation of nuclear weapons-free zones in north and central Europe.

Furthermore, I assume that the exchange of views will touch on a whole series of issues which concern the expansion of our relations in the trade policy sphere. Without doubt, there are chances for even closer cooperation, both in the economic sphere and in the scientific-technological sphere. In addition to this, we are also interested in expanding our cooperation in culture, sport, and youth tourism.

Question: Mr State Council Chairman, could you imagine Finland and the GDR offering joint proposals for disarmament measures?

Answer: I can imagine that very well, particularly as we are both striving together for the creation of nuclear weapons-free zones in Europe and for the elimination of medium-range weapons, as well as for the ending of all nuclear arms tests. There, as in many other spheres, joint peace initiatives may be thought of as a result of the talks with President Koivisto. In this matter, I also take account of the joint interest of Finland and the GDR in the continuation of the CSCE process.

Question: Your visit to the Federal Republic was followed with great interest by us in Finland. What was the greatest experience for you in those days?

Answer: Just the fact that the visit took place at this present moment in time aroused great international attention. It was, of course, my greatest experience that we proceeded in the Federal Republic on a basis of completely equal rights. If you just remember the times when our sports people were prevented from wearing their national colors in the FRG, and you compare that with the present situation, it was a sign not only for me but also for the citizens of the GDR and of the FRG that realities are today stronger than certain fireside dreams.

Question: The quadripartite agreement on Berlin was concluded in 1971. Mr Falin said recently that the last word on West Berlin has not yet been spoken. What is your opinion?

Answer: The quadripartite agreement has contributed toward quietening down the situation in the center of Europe. If you examine the text of the agreement, you will not come across the word Berlin in it, except in connection with the Western sectors; that is to say, the agreement between the four powers—the Soviet Union, the United States, Great Britain, and France—refers exclusively to Berlin (West). Access to West Berlin is also regulated by means of this agreement. Just by reason of the fact that, at present, more than 27 million people travel along the transit routes annually, and that there is an increasing amount of economic exchange with Berlin (West), which is realized thanks to this agrement, it is possible to say that strict adherence to, and full application of the agreement have increased the quality of life of West Berlin. The world is in a state of development, and I do not know today whether one changes anything in 100 years. The task of today consists in not forgetting the principal content of this agreement. This principal content consists in the fact that West Berlin is not a component of the FRG and may not be governed by the FRG. If this essential condition is adhered to, Berlin (West) will live well with this agreement.

And if Mr Falin sees the possibility that something in this agreement is worth improving, he should discuss it with the United States, Great Britain, and France, because they are the supreme authorities for Berlin (West). However, whether the four agree on this, I do not know. We believe that it is possible to live well with the agreement as it exists now. Furthermore, this is also the opinion of the majority of West Berliners.

If one thinks of the future "European House", one can imagine certain things in connection with intercourse between the dwellings within this house, and I believe that Mr Falin also had this in mind.

Question: In recent times the joint history of Germany has been brought into the foreground by the GDR; I am thinking of such names as Luther, Frederick the Great, and Bismarck. What is this aimed at?

Answer: In dealing with these issues, we assume that joint history naturally also plays a large role with regard to the future. But this is not a question that has suddenly popped up. FRG personalities with whom I spoke confirmed to us that, with regard to joint historical roots, the GDR has greater services to perform than the Federal Republic in the sphere of maintaining German culture. In dealing with this topic however, the motto of the English Order of the Garter applies: Honi Soit, Qui Mal Y Pense, Evil to Him Who Evil Thinks. It is, however, clear that the Germans, during their history, have lived mostly in a number of different states. The Bismarck empire, which was forged with blood and iron, perished in World War II which was unleashed by Hitler.

Apart from certain dreamers there is no serious politician who assumes that the Bismarck empire can rise again. If we honor such historical personages as Martin Luther, or if a historian in our country writes a book about Frederick II, this is far from indicating that a possibility of uniting the two states which now exist on German soil arises as a result. At the official reception in Bonn, I pointed out that unification of the two German states is equally as impossible to effect as the uniting of fire and water. This comes about just from the fact of the differing social systems. Socialism and capitalism cannot be united. This may occur in fireside dreams, but in reality, such dreams have no substance. From the beginning, we have not denied that we stand firmly in German history.

We, too, once had the dream of creating a united German state, but this dream was dashed to pieces on the desire of the Western allies to cause the revival of German imperialism, and, what is more, in a separate state. I would like to point out that the foundation of the FRG took place despite our protests. Since, regardless of this, the FRG was founded against the wishes of the population as well, and since the Treaties of Paris were signed, according to which supreme authority for the FRG rests with the Western allies until the year 2005, naturally dreams of a united German state on our side have been dashed to pieces.

Instead of the 25 German states which existed before the Bismarck empire, there are today 2 German states. It is our understanding that this will remain so in the future. This fact was also confirmed on the occasion of my visit to the FRG. If you take my speeches and those of Federal Chancellor Kohl you will recognize the opposing viewpoints which we presented frankly. It is one of the most serious lessons of German history: pan-Germanism has always been accompanied by suffering for the peoples of Europe. We foresee a future in a "joint European House", in which the two systems live peacefully side by side and increased cooperation is achieved. This seems to me to be the most important thing because, at the end of the day, we are concerned with the prevention of a nuclear inferno.

Finland's President Koivisto Pays Visit

Welcoming Ceremony Held

LD291422 East Berlin ADN International Service in German 1057 GMT 29 Sep 87

[Excerpts] Berlin, 29 Sep 87 (ADN)—Dr Mauno Koivisto, president of the Republic of Finland, arrived in the GDR on Tuesday for a state visit. [passage omitted]

The state flags of the GDR and the Republic of Finland this morning decked Berlin airport. At 1100 the Finnair DC9 touched down at the airport. A few moments later, two heads of state greeted each other on the gangway; they have known each other since Erich Honecker's visit to Finland in October 1984. Erich Honecker expressed his pleasure at being able to welcome Dr Mauno Koivisto to GDR soil. The latter expressed thanks for the friendly reception. Erich Honecker accorded a welcome to the president's wife, Madame Tellervo Koivisto, who received a large bouquet from a GDR airline stewardess. Oskar Fischer, GDR minister for foreign affairs; Ilse Thiele, member of the Council of State; and Rold Boettcher, GDR ambassador extraordinary and plenipotentiary to the Republic of Finland, also welcomed the high ranking guest and his entourage on the gangway.

Dr Mauno Koivisto presented his delegation to his host: Kalevi Sorsa, minister for foreign affairs; Pertti Salolainen, minister of foreign trade; Arto Tanner, ambassador extraordinary and plenipotentiary of the Republic of Finland to the GDR; Aake Wihtol, state secretary in the Ministry for Foreign Affairs; Jaakko Kalela, director of the president's chancellery; and other members of his entourage. [passage omitted]

The guest was welcomed by SED Central Committee Politburo members Willi Stoph, Council of Ministers chairman; Horst Sindermann, People's Chamber President; Hermann Axen, Joachim Herrmann, Werner Jarowinsky, Heinz Kessler, Egon Krenz, Guenter Mittag, and Guenter Schabowski; by deputy chairmen of the Council of State Professor Dr Manfred Gerlach and Dr Guenther Maleuda; by Professor Dr Lothar Kolditz, president of the GDR National Council National Front; Hans-Joachim Heusinger and Wolfgang Rauchfuss, Council of Ministers Deputy chairmen; other Council of Ministers and Council of State members; and other officials from the GDR. Finnish Embassy diplomats were on hand to welcome their head of state. [passage omitted]

Calls on Honecker 29 Sep

LD291509 East Berlin ADN International Service in German 1445 GMT 29 Sep 87

[Text] Berlin, 29 Sep ADN—The president of the republic of Finland, Dr Mauno Koivisto, this afternoon visited Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, at the council of state building in Berlin's Marx-Engels Platz for an initial exchange of thoughts and opinions.

Honors WWII Victims

LD291747 East Berlin ADN International Service in German 1452 GMT 29 Sep 87

[Excerpt] Berlin, 29 Sep (ADN)—Dr Mauno Koivisto, president of the Republic of Finland, honored the victims of fascism and militarism at a wreath-laying ceremony in Berlin this afternoon. At the memorial on "Unter den Linden" he was accompanied by GDR Foreign Minister Oskar Fischer and GDR Ambassador to Finland Rolf Boettcher. [passage omitted]

Trade Agreement Signed

LD292040 East Berlin ADN International Service in German 1718 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—On the occasion of the state visit to the GDR by Finnish President Dr Mauno Koivisto, a long-term agreement on cooperation between GDR foreign trade enterprises and the Finnish concern EKA was signed in Berlin on Tuesday. The festive ceremony at the Grand Hotel was attended by GDR Trade Minister Dr Gerhard Beil, and Finnish Foreign Trade Minister Pertti Salolainen. The document was signed by Guenter Krupke, director general of the GDR foreign trade enterprise Transportmaschinen, and Eero Rantala, director general of the EKA concern.

Official Talks Begin

LD291942 East Berlin ADN International Service in German 1750 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—Erich Honecker, general secretary of the SED Central Commitee and chairman of the GDR State Council, and Dr Mauno Koivisto, president of the Republic of Finland, started their official talks at the official headquarters of the State Council this afternoon.

Erich Honecker praised the visit to the GDR by the highest representative of the Republic of Finland as an outstanding expression of the positive development of friendly relations and as a further highpoint in the constructive political dialogue between the two states.

The president of the Republic of Finland recalled the talks conducted during Erich Honecker's state visit to Finland in 1984. He is very gratified that his visit to the GDR offers an opportunity for continuing and intensifying these contacts.

During their meeting Erich Honecker and Mauno Koivisto had a comprehensive exchange of views on international questions. Since their meeting in 1984, Erich Honecker said, there has been some progress. The GDR has a high regard for the contribution made by Finland in this. The leading representatives of the GDR and Finland welcomed with great satisfaction the agreement in principle between the USSR and the United States to conclude an accord on the elimination of longer and shorter-range nuclear missiles. They stressed that an agreement of this type would for the first time eliminate two extremely dangerous categories of nuclear weapons. This is in the interests of mankind and will certainly have a positive effect on the entire process of arms control and disarmament, whereby steps necessary for the conventional sphere were also mentioned.

Erich Honecker stressed in this connection the readiness stated by the Berlin summit of the Warsaw Pact states to agree also on disarmament measures in the conventional sphere. Given a certain concern on the part of the West European states with regard to a possible superiority of the Warsaw Pact states in the conventional sphere in the event of freeing Europe of nuclear weapons, the readiness was declared in Berlin to go from zero option to zero option and to strive for radical disarmament measures also in conventional weapons. The socialist states are ready to help ensure that existing imbalances in the conventional sphere are eliminated not through arms escalation by the side which has fewer weapons but through disarmament.

Dr Mauno Koivisto stressed the importance of nuclear-free zones in northern Europe and in other parts of the continent. He reaffirmed that nuclear-free zones can improve the overall situation and are an important element of the process of detente. In this connection he welcomed the Soviet Union's positive reaction to the efforts to create a nuclear-free zone in northern Europe.

The State Council chairman assured his guest that the GDR will continue to conduct actively the political dialogue with all forces of reason and good will in order to make its contribution to making peace more secure and to enable mankind to have a life without fear of nuclear destruction. He said that his recent visit to the FRG served the goal of safeguarding peace. Erich Honecker briefed the Finnish president on the results of this visit, and the latter assessed them positively.

Erich Honecker and Dr Mauno Koivisto agreed that bilateral relations between the GDR and the Republic of Finland have developed positively since their last meeting. Relations are very good and there are no problems between the two countries. The two statesmen reaffirmed their desire to expand relations between the two countries which are based on friendship and trust, including the spheres of trade and industry.

The two partners in the talk expressed support for the preservation and deepening of the CSCE process, the start of which will always be linked with the name of the Finnish capital. They expressed the hope that the Vienna CSCE review meeting will be concluded with a balanced and substansive result, especially with a mandate for a negotiating forum on conventional disarmament. In this connection Erich Honecker said that the GDR noted with great interest and sympathy the Finnish Government's decision to hold Helsinki ready as the venue of the next CSCE review meeting.

Taking part in the talks, which were held in an atmosphere of openness' trust and far-reaching agreement on all questions discussed, were for the GDR side: Guenter Mittag, member of the Politburo and secretary of the SED Central Committee and deputy chairman of the Council of State; Oskar Fischer, minister of foreign affairs; Gerhard Beil, minister of foreign trade; Frank-Joachim Herrmann, state secretary and chief of the chancery of the chairman of the Council of State; Kurt Nier, deputy minister of foreign affairs; Rolf Boettcher, GDR ambassador to the Republic of Finland.

Present at the talks for the Finnish side were: Kalevi Sorsa, minister of foreign affairs; Perrti Salolainen, minister of foreign trade; Arto Tanner, ambassador of the Republic of Finland to the GDR; Ake Wihtol, state Secretary in Foreign Ministry; Jaakko Kalela, director of the president's chancellery; Erkki Tiilikainen, ambassador and deputy chief of the Foreign Ministry Trade Department.

Honecker Hosts Dinner

LD292325 East Berlin ADN International Service in German 1858 GMT 29 Sep 87

[Excerpts] Berlin 29 Sep (ADN)—A dinner hosted by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, in honor of Dr Mauno Koivisto, president of the Republic of Finland, and his wife, Tellervo Koivisto, this evening ended the 1st day of the Finnish president's state visit to the GDR. [passage omitted]

The following attended the dinner: members and candidate members of the SED Central Committee Politburo Willi Stoph, chairman of the Council of Ministers; Horst Sindermann, president of the People's Chamber; Hermann Axen, Horst Dohlus, Joachim Herrmann, Werner Jarowinsky, Heinz Kessler, Egon Krenz, Guenter Mittag, Guenter Schabowski, Harry Tisch, Inge Lange, and

Gerhard Schuerer; Deputy Chairmen of the State Council Dr Manfred Gerlach, chairman of the Liberal Democratic Party of Germany, and Dr Guenther Maleuda, chairman of the Democratic Peasants' Party of Germany, Prof Lothar Kolditz, president of the National Front National Council; Guenter Hartmann, deputy chairman of the National Democratic Party of Germany; Council of Ministers Deputy Chairmen Hans-Joachim Heusinger, Wolfgang Rauchfuss and Rudolf Schulze, members of the SED Central Committee, including the director of the Central Committee International Relations Department Guenter Sieber. Present were members of the Council of Ministers Oskar Fischer, minister of foreign affairs; Dr Gerhard Beil, minister of foreign trade; Wolfgang Beyreuther, state secretary for labor and wages; Prof Hans-Joachim Boehme, minister for higher and vocational education; Erhard Krack, mayor of Berlin; and Bruno Lietz, minister for agriculture, forestry and foodstuffs. [passage omitted]

Honecker Toast at Dinner

LD292044 East Berlin ADN International Service in German 1919 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—The text of the toast by Erich Honecker-general secretary of the SED Central Committee and chairman of the GDR State Council, on the occasion of the official dinner in honor of Dr Mauno Koivisto, president of the Republic of Finland, is as follows:

It is my great pleasure to welcome you, Mr President, your wife and those accompanying you, once more warmly to the GDR. I greatly value being able to continue now in Berlin the exchange of ideas that we began 3 years ago in Helsinki.

Our meeting takes place at a time when decisions of great importance are in the offing. It is thus natural that the joint interest of our two states in preventing a nuclear inferno and guaranteeing a peaceful future for humanity took up a large part of our talks today. In these the great extent of agreement on these basic issues was once more confirmed. I would like to stress this with satisfaction. We are both of the opinion that the path toward more trust, toward practical disarmament measures and toward detente in Europe can be embarked upon successfully only on the basis of equality and equal security.

At our last meeting in Helsinki we expressed our concern at the dangerous deterioration of the international situation and pleaded for the reversal of this development. Today the turnabout toward disarmament and detente is not yet complete, but there is much that gives cause for hope. Generally, there is growing recognition that peace and security can no longer be guaranteed against one another but only with one another, and that there is no sensible alternative to the policy of peaceful coexistence among states of differing social orders. Commitment by all states and peoples is necessary to transform this recognition into practical policies.

The agreement in principle by the Soviet Union and the United States to an agreement on the global removal of their medium-range nuclear missiles, whose signing should follow at a summit meeting between Mikhail Gorbachev and Ronald Reagan this fall, fills with deep satisfaction, all those committed to a peaceful future for humanity. With this the world is standing on the threshold of real disarmament. A significant step will be taken, upon which others must follow.

Mr President, you have repeatedly described averting the dangers that arise for humanity from the stockpiling of nuclear weapons by the greatest challenge of the Eighties. It is our firm conviction that we can and must be successful in liberating the earth from nuclear weapons by the year 2000 and in reducing conventional weapons to such a level that the attack capability of armed forces will be excluded. I would like to describe the proposals for a peaceful future for humanity contained in the documents of the Berlin summit of the Warsaw Pact as a specific program for this.

In their disarmament proposals the Warsaw Pact States rule out neither a type of weapon nor necessary verification. They are prepared to progress from zero option to zero option. Imbalances, wherever they occur, must be balanced by disarmament instead of by counterarmament. The offer of consultations on military doctrines is in pursuance of the goal of reducing concerns and increasing trust, and of finding joint paths toward a real reduction of military confrontation, while guaranteeing equal security.

With its policy of dialogue and cooperation the GDR is working for a change for the better in international affairs. It is facing up to its historical responsibility of helping to ensure that war will never again emanate from German soil, but rather only peace. In no other region of the world are so many troops and weapons, including thousands of nuclear warheads, concentrated as in central Europe. The very closely linked questions of peace preservation and the active participation of the two German states in their solution were also the focus of the talks I held during my official visit to the FRG. Relations between the two German states must not burden the international situation but should favorably influence its development. Europe will be best served if matters develop in this direction.

The prevention of world conflagration and disarmament are a categorical imperative in today's world. We support all proposals and initiatives which could serve this. The contribution of every country, large or small, is needed and of importance. Global and regional solutions, bilateral and multilateral activities can usefully complement one another, the formation of opinion in society can have a positive influence on the decision-making process of the state.

In the light we regard as a very great interest the proposals and initiatives for a nuclear-free corridor and a zone free of chemical weapons in central Europe, for a nuclear free northern Europe and analogous efforts in the Balkans. After all they are aimed at reducing military confrontation throughout Europe while they also have a confidence and security building effect. It is for this reason that they meet with continuing international interest. Their realization is in line with the requirements of joint security.

It cannot be a matter of indifference to us how the situation develops in our immediate vicinity, northern Europe. The fact that this region is more or less free of nuclear weapons is a stabilizing factor for peace and security in Europe. We support all the more strongly all efforts to anchor this fact in international law and to guarantee it internationally. We have a high regard for the initiatives and active work of your country, Mr President.

It is obviously not the monopoly of governments to be able to deal with questions of peace and disarmament and to express opinions on them. This is demonstrated by the growing peace movement in the majority of states. In the GDR this was recently expressed in large demonstrations, including the Olof Palme Peace March.

We are aware of the broad public support for the Paasikivikekkonen policy in Finland. As a result of your work, Mr President, it radiates predictability and the desire for peace.

The process of detente and cooperation in Europe which was introduced with the Helsinki Final Act is an indispensable element of the striving for joint security for us. This process is indissoluably linked with the name and policies of your country, and we pay tribute to Finland's role in maintaining and promoting it.

We decisively support maintaining what has been achieved on the basis of the Final Accord and developing it further in all areas. It appears particularly important to us that a mandate for negotiations on the reduction of forces and armaments from the Atlantic to the Urals is agreed at the followup conference in Vienna. It is in the nature of the issues of war and peace in the nuclear age that we stress the pressing nature of security and confidence-building measures. At the same time we pay great attention to still closer cooperation in the economic, scientific and technical spheres, or to new agreements in the humanitarian sphere. The Vienna meeting, which has just resumed its work, now intensively devotes itself to the pressing task of drafting, it should be possible to achieve substantial results in all spheres. With your visit a new chapter is opened in the important book of friendly, and in the best sense, goodneighborly cooperation between the GDR and the Republic of Finland. This afternoon we were able to agree on noting that the agreements that we made in Helsinki in 1984 were filled with life. Political dialogue was intensified and lively contacts exist in many areas. The basis in treaties will be further consolidated by the agreements prepared.

Trade and economic relations have developed well. They have a long tradition and hold an important place in bilateral relations as a whole. The GDR places great importance on the further extension of economic, industrial, scientific and technical cooperation with Finland. In the future the GDR will do everything to continue to develop them continuously and in the longterm both bilaterally and within the framework of the agreement on cooperation between CEMA and the Republic of Finland. In the talks we ascertained that there are good conditions for this on both sides, which we should use purposefully.

The levels of cooperation are as multifarious as our mutual interests. Increasing contacts between citizens of our countries, including young people, promote understanding for one's partner and serve international understanding. The friendship societies in both countries are making a valuble contribution to this.

Such a development of bilateral relations is exemplary. We have agreed to extend and deepen it. In this we cannot rely only on common basic interests in a peaceful world. The Baltic as the connecting sea, long traditions of cultural and intellectual history, respectful behavior toward one onother, and joint positive experiences with the value of political trust and constructive cooperation, are a good basis for this.

In the GDR you will have the opportunity of acquiring a personal impression of the growth of our country, which is moving dynamically and developing constantly.

Koivisto Toast at Dinner

LD292125 East Berlin ADN International Service in German 1951 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—The test of the toast of Mauno Koivisto, president of the Republic of Finland, [at a dinner today hosted by Erich Honecker] is as follows:

Allow me to express my gratitude for your invitation. I would also like to thank you for the warm reception and the hospitality extended to us as well as for the kind words of appreciation that you have addressed to my country and me personally. Our talks and the wide-ranging program prepared for us demonstrate the importance that your country and you, as its longstanding head of state, want to attach to the further development of our relations by means of this visit. Urho Kekkonen, my esteemed predecessor, paid a state visit to the GDR nearly 10 years ago to the day. For my part, I had the opportunity in 1984 to act as host during your state visit to Finland.

During your visit I expressed my high regard for the fact that you, State Council chairman, demonstrated your support for the efforts for detente and viewed peace preservation as your most important goal. This activity of yours, which we hold in high esteem, continues. Finland takes a positive view of your country's proposals for the creation of a nuclear-free corridor and a zone free of chemical weapons in central Europe, and we hope that the states in this region will find satisfactory solutions together. We were able to note with satisfaction your support for our initiative for the creation of a nuclear-free zone in northern Europe. That initiative has become a positive element in the security policy dialogue among the Nordic countries.

Finland bases its security primarily on good and trusting relations with its neighboring countries. At the same time we strive, in accordance with our policy of neutrality, to develop good and mutually advantageous relations with all countries of the world. From this standpoint Finland works through its activity for the strengthening of the preconditions for peace and cooperation among the peoples here in Europe and particularly in the north.

International affairs were dominated for many years by the tense relations between the superpowers. Security was sought in arms buildup. The consequence was an increase in the arms race and growing insecurity.

Now, however, the situation appears to be rather more hopeful. The most important disarmament agreement on the elimination of nuclear medium-range missiles is approaching its realization. As the first agreement to reduce weapons systems it would improve the possibility of also achieving agreement on other planned disarmament accords.

Progress is also being made in the military sphere within the framework of the CSCE process. The success of the Stockholm Conference and the expectations linked to the Vienna followup conference in all the subsections of security, military questions, economic relations, and human contacts are promising signs of an improvement in the international atmosphere.

Your historic visit to the FRG, which has just taken place, has supported the development of detente and has improved the preconditions for the preservation of stability in Europe.

Environmental protection is of central importance for mankind in its efforts to maintain its existence. For this reason it has been recognized as one of the most important areas of responsibility in international cooperation. People must learn to live in harmony with nature. Finland and the GDR have good cooperation both in efforts for the protection of the Baltic Sea and in questions of environmental protection in general.

Our countries belong to the cultural area united around the Baltic Sea. The littoral states of the Baltic have been conducting trade with each other for centuries and receive inspiration from each other in the various spheres of science, art, and culture.

Finland too has received strong impetus from the intellectual and material culture of the German-speaking area via the Baltic. Such cities as Erfurt, Wittenberg, Rostock, Leipzig, and Dresden are also connected with our history. Relations between Finland and the GDR have developed favorably and the interaction in various areas of life is characteristic of them.

During this visit some new agreements will be signed between our countries which facilitate cooperation between them. The influence of the agreement on freedom from the requirement for a visa is applicable to all citizens of our countries. Finland is the first Western country to sign an agreement with the GDR on visa-free travel.

I attach a wish to this treaty. The position of the most important central European language, the German language, should be strengthened in Finland because of our lively economic and cultural relations. This is only possible if it becomes generally known how much the German language is needed. The possibility of applying a language makes it interesting. I believe that the treaty on visa-free travel will also indirectly contribute to the increased attractiveness of the German language in Finland.

In the last few years the exchange between our countries in the sphere of art has been lively, and we note with pleasure your interest in Finnish culture. We have exchanged glass exhibitions. Finnish architecture and the artifacts industry were exhibited in your country. There have been several guest appearances in the spheres of music, theater, and ballet. This fall the Helsinki city theater and city orchestra will make guest appearances here.

The good and problem-free relations between our countries also create a good basis for our economic contacts. However, in the last few years developments in this area have not entirely corresponded to our hopes.

Nevertheless the latest statistics on this issue point to a certain invigoration which hopefully means the start of a longer, favorable development. The Finns have signed some significant projects, and we hope that some talks, which are near conclusion, will make swift progress. There are possibilities for a significant extension of our trade. They only have to be used better than ever.

Finnish enterprises are showing lively interest in the development of economic relations with the GDR. My accompanying delegation comprising economic representatives bears witness to this. They are holding their own talks during the visit.

This is only the start of my visit and the practical encounter with the achievements of your country and its sights still lies before me. So far I have seen both comprehensive rebuilding and restoration which has been devotedly carried out. In conclusion I would like to congratulate the city of Berlin, which is celebrating 750 years of existence, and to congratulate you once more, chairman of the State Council, belatedly on the occasion of your 75th birthday.

Stoph Receives Austrian Health Minister

LD292246 East Berlin ADN International Service in German 1818 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—Willi Stoph, chairman of the GDR Council of Ministers, received today Dr Franz Loeschnak, Austrian federal minister of health and public service [name and title as received]

During the friendly talk the two politicians stressed the responsibility of all states, regardless of their social order, to make constructive contributions to peace preservation and a flourishing coexistence and cooperation among the peoples. Willi Stoph explained to his guest the policy of the Warsaw Pact states, which aims at arms control and disarmament, and the results of the official visit to the FRG by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

The two sides stressed that peace preservation is at the same time a decisive precondition for a health policy for the benefit of the people. This is also served by the long-standing and productive relations between the GDR and Austria in the health service and medical science. It is important to expand these contacts and to promote the result-oriented cooperation for the development of a healthy lifestyle and in spheres such as occupational medicine and cancer research.

Kessler Receives SFRY Army Delegation

LD291746 East Berlin ADN International Service in German 1628 GMT 29 Sep 87

[Text] Berlin, 29 Sep (ADN)—Army General Heinz Kessler, Politburo member of the SED Central Committee and GDR minister of national defense, received on Tuesday a delegation from the Yugoslav People's Army, which is in the GDR for a visit lasting several days. It is led by Rear Admiral Petar Simic, assistant federal secretary for national defense in the political-legal sector.

The friendly talk at the Defense Ministry centered on questions related to the current military-political situation and the further deepening of friendship and cooperation between the GDR and Yugoslavia and their armed forces. In this connection the two sides praised the agreement in principle between the Soviet Union and the United States on the worldwide elimination of their medium-range missiles as a first real step toward nuclear disarmament.

Honecker Greets Husak en Route to Bulgaria

AU291541 Bratislava PRAVDA in Slovak 24 Sep 87 p 1

[CTK Report]

[Text] Prague (CTK)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, sent Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, a greeting telegram while flying over CSSR territory on his way to an official friendly visit to the People's Republic of Bulgaria.

Foreign Minister Addresses UN General Assembly
LD292051 Budapest MTI in English 1904 GMT 29 Sep 87

[Text] New York, September 29 (MTI)—Hungarian Foreign Minister Peter Varkonyi addressed the current session of the United Nations' General Assembly Tuesday. Among other things he told that currently conditions appear more favourable for extending dialogue among nations and for the practical advance of cooperation than at the time of the 41st U.N. General Assembly session. Since then the positive trends in the international situation have become somewhat stronger although serious tension continues to exist. The dialogue that has begun and become continuous between the Soviet Union and the United States of America points towards the strengthening of confidence among nations. The progress in bilateral talks on disarmament gives rise to hopes. It promises the opportunity for extensive and favourable changes that may open a new era in the history of international relations leading into the 21st century. This is an increased responsibility on the two leading great powers. The entire community of nations justly expects them to mutually compromise and shift trends in the international situation in this direction. However, the supreme experience of foreign policy activity conducted in recent years by the Hungarian Government is that in addition to the great powers all nations, irrespective of size, must undertake a share in this responsibility, and in keeping with possibilities must do everything possible to alleviate international tension, to promote cooperation among nations.

The Hungarian foreign minister stressed that the Hungarian government takes a position calling on the U.N. General Assembly to take measures to create a comprehensive system of peace and security. In this age a completely new approximation to issues of security has become necessary. In our era national and international security cannot be separated. No country can guarantee security exclusively through means of military technology. This can be attained only through political means, through joint action no country has an exclusive right to security. The evolvement of the system of implements for a policy of security assumes active participation by all states, irrespectively of size, and of political and social system. The minister pointed out that working together and progressing step by step an operative system relying on the U.N. Charter must be elaborated, so that it can become a firm, long-term foundation for the shaping of balanced international relations. This system must be based on the democratization of international relations and world policy, the reduction in the role of military power, joint solution to global economic and ecological problems and increasingly extensive realization of human rights.

The frame and mechanism for a new system of security must be shaped. Action based on broad-scale consensus must be begun on concrete issues. There are opportunities for this latter regarding several global problems e.g. the international position against terrorism, and the fight against narcotics.

The Hungarian People's Republic considers it important, and using its own means is striving to see that advantage is taken of the favourable possibilities evolving in the area of disarmament, and to see that their affects are global, said the Hungarian foreign minister in another part of his address, pointing out that the Soviet-American agreement of principle reached these past few days on a comprehensive elimination of strategic-tactical-missiles can be a milestone from the aspect of the whole of nuclear disarmament. The agreement can create a qualitatively new, favourable situation in Europe and can open the way to further measures aimed at an additional reduction in military confrontation. For this reason the Hungarian People's Republic supports Soviet efforts for a comprehensive zero-zero option.

In another part of his address Peter Varkonyi told among other things, that Hungary, in the contact zone between the two social systems, is linked to the state of Europe through thousands of strands. Hungary's relations with the West European states prove recognition of the fact that for Europe the course to the future may only be dialogue and practical cooperation between its countries. This is a recognition valid, of course, for all continents. A major contribution would be made to just and lasting solutions to regional conflicts and to the elimination of hotbeds of crisis if the current session of the general assembly were to approve a declaration on the principle of a ban on application of force and the threat of force. An effective role played by the world organization would significantly increase its world political significance, prestige and the chances of success in its efforts in other issues, therefore, the active and constructive role taken by the secretary general of the world organization in seeking a solution to the crisis in the Arab Gulf is to be welcomed and supported.

Execution of pertinent U.N. resolutions, a firm and unified international position could assist in eliminating the hotbed of crisis in South Africa. Consolidation of security in Asia and the Pacific Ocean is an urgent task. Hungary supports efforts by all countries in the region towards creating peace and security on the continent of Asia. As a result of the development of the policy of national conciliation proclaimed by the Afghan government and the mediation activity of the special envoy of the U.N. secretary-general the chances for eliminating the hotbed of crisis that has evolved around Afghanistan have increased. The Hungarian government takes a position for a just, and objective solution to the crisis in Central America, while respecting the sovereignty of the countries involved.

Speaking on issues of world economics Peter Varkonyi told that disturbances in the balance of the world economy have continued to deepen, and that significant

tension had accumulated in the international finance and currency system. Protectionist trends and discriminatory measures hindering the expansion of economic relations were cause for worry. Solving the problems of the world economy requires a new, global outlook, and recent tiumes a certain progress was noted in evolving this outlook. Peter Varkonyi qualified the ministerial conference in Punta del Este, as well as the 7th session of the U.N. Conference on Trade and Development (UNCTAD) held this past summer as examples of this.

Efforts actively supported by Hungary are aimed at achieving validation of partner relations based on mutual respect of interests in international economic relations, stability and reliability.

Peter Varkonyi also spoke on human rights, telling among other things that the demand for universal implementation includes the rights of nations and individuals just as those of individual groups of society, including insurance of the rights of national minorities. Constructive cooperation on issues touching upon the situation of national minorities plays an important role in inter-state relations, and in advancing relations of good neighbourhood. In Hungary participation with equal rights by national minorities in the political, economic and cultural life of society is an important component of national unity. The guarantee of the individual and collective rights of the national minorities, including the right to teach their native language insures the maintenance of their identity, and the development and reinforcement of it.

More on Zambian President Kaunda's Visit

Report on Visit

LD291458 Budapest MTI in English1250 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—Dr Kenneth David Kaunda, president of the Republic of Zambia, paid an official visit to Hungary from September 25 to 29, 1987 at the invitation of Karoly Nemeth, president of the Presidential Council of the Hungarian People's Republic.

Dr Kenneth David Kaunda met Janos Kadar, general secretary of the Hungarian Socialist Workers' party.

The Zambian head of state laid a wreath on the monument of Hungarian heroes, visited the 'Zoldmezo' (Greenfield) cooperative farm at Vacszentlaszlo, and saw the historical and cultural sights of Budapest and its vicinity. The Budapest Reformed Theological Academy conferred an honorary degree on Kenneth David Kaunda.

In the talks marked by an atmosphere of friendship and mutual understanding, Karoly Nemeth spoke about the tasks of socialist construction work in Hungary, the policy statement of July 2 of the HSWP Central Committee, and the programme of economic and social advance. The Zambian president gave briefs on the internal situation, economic difficulties and development plans of his country.

Both presidents underlined that relations between the Hungarian People's Republic and the Republic of Zambia had expanded in recent years. They emphasized the preparedness of their countries to widen inter-party and inter-state cooperation, for which it is indispensable to explore and utilize further possibilities, above all in the field of reciprocally beneficial economic and commercial cooperation. To this end the two countries are to set up a joint cooperation committee.

On surveying topical international affairs, Karoly Nemeth and Kenneth David Kaunda reinforced that their countries would continue to make an active contribution to consolidating world peace, halting the arms race, settling the debated issues through negotiations, and strengthening the dialogue between countries with different social systems. They welcomed the Soviet-American principal agreement on the abolition of intermediate- and short-range missiles. The parties underlined that a genuine agreement on disarmament would release considerable material resources for economic development.

Both presidents voiced anxiety over the political-social and economic problems of the African continent, and the situation that has come about in the southern region. They reconfirmed that their countries support the African peoples in the fight waged to eliminate the burdens of the colonial past, to safeguard and strengthen their independence, and establish their independent national economies.

The sides stressed that the policy of the Government of the Republic of South Africa seriously endangers the peace and security of Africa. They condemned the racists policy of the Pretoria regime that oppresses the majority of the population, its interference into the affairs of its neighbouring countries, and the unlawful occupation of Namibia.

They expressed solidarity with the South African people, the African National Congress and other forces fighting to dismantle apartheid, the South-West African People's Organization fighting for the independence of Namibia, and the front-line states. They pressed for ensuring the independence of Namibia on the basis of the United Nations Security Council Resolution No. 435. The parties stressed that the interests of the African peoples are best served by the settlement of the conflicts that endanger the peace of the African continent through negotiations. They termed the special session of the United Nations General Assembly in May 1986 dealing witht he

serious African economic situation, and the UN conference held in August-September 1987 dealing with the relation between disarmament and development to be of special importance.

The sides reciprocally termed as successful the current visit, which contributed to the extension and deepening of relations between the two states, their parties and peoples. Dr Kenneth David Kaunda expressed his appreciation to his host, and to the Hungarian Socialist Workers' Party and the Hungarian people for the warm reception which was shown towards him and his party. The Zambian president invited Karoly Nemeth for an official visit to Zambia. The invitation was accepted.

Dinner Toasts with Nemeth

LD261846 Budapest MTI in English 2027 GMT 25 Sep 87

[Text] Budapest, September 25 (MTI)—Karoly Nemeth, president of the Hungarian Presidential Council, gave a dinner in honour of Kenneth David Kaunda, head of state of Zambia, in the Parliament building on Friday. At the dinner the two heads of state delivered toasts.

In his toast Karoly Nemeth emphasized that the Hungarian public is well aware of, and highly appreciates, the efforts made by the Zambian party, government and people in the interest of economic and social development.

Concerning bilateral relations Karoly Nemeth said that, with a view to developing and widening cooperation, Hungary is prepared to explore untapped possibilities in economic, commercial, technical, scientific and cultural relations, on the basis of reciprocal advantages. Karoly Nemeth emphasized:

'Balanced bilateral relations between the states are of particular importance in the prevailing world policy situation. A small country like Hungary can make the most efficient contribution to the causes of peace and the alleviation of tension if it strives to maintain with every country settled and good relations that are based on reciprocal benefits and respect for one another's social order, sovereignty and independence.'

Addressing the situation in the southern part of Africa, the president of the Presidential Council said:

'The southern region of Africa is a zone of crisis today. The grave situation is a consequence of the aggressive policy and apartheid regime of the Republic of South Africa. The South African Government, ignoring the progressive world public and a number of UN resolutions, continues to pursue a racist policy. It does not respect the most fundamental freedoms either, and oppresses the coloured people who make up the overwhelming majority of the population. The republic of South Africa threatens its neighbours with terror raised to the level of state policy. Its military aggression and economic blackmail have caused a great deal of suffering to the people of the Republic of Zambia, too. South Africa, ignoring the relevant UN resolutions, holds Namibia under illegal occupation.'

'The Hungarian People's Republic takes a firm stand against the apartheid policy of Pretoria at every international forum, and advocates radical democratic changes, and the immediate granting of independence for Namibia. It supports the forces fighting against the apartheid regime, such as the African National Congress and the South West Africa People's Organization. It condemns the repeated acts of aggression against the front-line countries: Angola, Mozambique, Zambia and Zimbabwe. It shares the view of the front-line states that the apartheid regime of South Africa can only be overthrown by extensive international unity, for which the application of economic sanctions may be an effective means. The Hungarian people expresses solidarity with the peoples of Africa fighting for the consolidation of their national independence,' emphasized Karoly Nemeth.

In his toast Kenneth David Kaunda stated with satisfaction that he held very successful talks with the Hungarian leaders on Friday, and the talks opened new vistas in bilateral cooperation.

Speaking about the situation of his country he pointed out that Zambia is experiencing the most severe difficulties since its declaration of independence in 1964. In this context Kenneth David Kaunda recalled that the tense situation threatens with explosion in the southern part of Africa. The apartheid regime declines to consider the possibility of a negotiated settlement in South Africa, an idea supported by the front-line countries, the Organization of African Unity, and the international public. Since the South African regime does not make any serious attempt to eliminate apartheid, the conflict between the black population and the racist regime tends to escalate into a catastrophe.

The Zambian president spoke in detail about the inhuman acts of the apartheid regime, pointing out that a violent clash is imminent.

The apartheid regime carries on a policy aimed at destabilizing the front-line countries. Its main targets are Mozambique and Angola. Concernkng this threat, the president of Zambia said that the front-line countries are firmly determined to continue their struggle against apartheid and support the liberation struggle. They consistently reject every attempt at connecting the issue of Namibian independence with the presence of Cuban forces in Angola, and give full support to resolution 435 of the UN Security Council, as the only acceptable form of Namibia's independence.

As the president of the Organization of African Unity, Kenneth Kaunda emphasized that selfish foreign interests are also playing a role in the crises of Chad and Western Sahara. The organization of African Unity is to make further efforts until just and lasting peace has been reached.

Emphasizing the importance of nuclear disarmament Kenneth David Kaunda welcomed the principal agreement ooncluded by the Soviet Union and the United States of America on the ban on short- and intermediate-range missiles.

Ends Visit, Departs

LD291100 Budapest MTI in English 1005 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—Concluding his official visit to Hungary, Dr Kenneth David Kaunda, president of the Republic of Zambia, left Budapest on Tuesday. At Budapest's Ferihegy Airport the president and his party were seen off by Karoly Nemeth, president of the Presidential Council, and several members of the government. Fina Liboma, ambassador of Zambia to Hungary, and other members of the Budapest diplomatic corps were also in attendance.

Austrian Chancellor Vranitzky Visits

Arrives, Received by Marjai

LD291450 Budapest MTI in English 1420 GMT 29 Sep 87

[Text] Budapest, September 29 (Mti)—Franc Vranitzky, federal chancellor of the Republic of Austria, arrived for an official visit to Hungary Tuesday. He is meeting an invitation from Karoly Grosz, chairman of the Hungarian Council of Ministers. Franz Vranitzky is accompanied by his wife, Christine Vranitzky.

The special train of the chancellor arrived at Budapest's "Keleti" (eastern) railway station, adorned with Hungarian and Austrian flags, in the early afternoon hours. The high-ranking guest was ceremoniously met with military honours. Karoly Grosz was the first to welcome Franz Vranitzky and his wife, and the members of the official delegation accompanying the federal chancellor. The Hungarian prime minister then presented the Hungarian personalities present to welcome the guests. Present at the reception was Deputy Prime Minister Jozsef Marjai and his wife, and Gyula Horn, state secretary of the Foreign Ministry, State secretary Rezso Banyasz, president of the Information Office of the Council of Ministers, Janos Nagy, ambassador of the Hungarian People's Republic to Austria. Also present was Arthur Agstner, ambassador of Austria to Hungary.

Following the ceremonious reception, the guests and thier hosts drove to their residence.

Holds Talks with Grosz

LD291817 Budapest MTI in English 1722 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—On Tuesday afternoon Franz Vranitzky Austrian federal chancellor, in Budapest on invitation of Karoly Grosz, held private talks with his host in parliament.

Following that, also in parliament official talks between Hungary and Austria began. At the plenary session, sitting at the negotiation table alongside Franz Vranitzky were Ulrich Stacher chief advisor to the chancellor's office, Max Kothbauer cabinet chief of the federal chancellor and Arthur Agstner austria's ambassador to Hungary. The Hungarian negotiation group was headed by Karoly Grosz, and the members were Deputy Prime Minister Jozsef Marjai, Deputy Foreign Minister Laszlo Kovacs and Hungary's ambassador to Austria, Janos Nagy.

Discusses Relations

LD292230 Budapest MTI in English 2000 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—As reported, Franz Vranitzky, federal chancellor of the Republic of Austria arrived in Hungary Tuesday for an official visit on invitation of Karoly Grosz chairman of the Hungarian Council of Ministers, and official Hungarian-Austrian talks began in Parliament. At the plenary session it was told that the partners to discussion viewed the flows developing in the international situation in near-identical and positive manner. They agreed that the C.S.C.E. process offers additional opportunities for cooperation between Hungary and Austria. Karoly Grosz spoke with recognition of the activeness which the neighbouring country has shown, partly in providing a home for the Vienna follow-up meeting.

Bilateral relations are in order and regular, with the further development of them being to the interests of both sides, it was concluded at the session, stressing that the political relations give a good hinterland to economic cooperation. In this field however, there are opportunities still awaiting exploitation, for instance, the causes for the decline in Hungarian-Austrian trade turnover must be exposed, as well as new opportunities for economic cooperation. The need for establishing joint ventures and shaping production cooperation was raised. The negotiation groups evaluated cooperation in environment protection in keeping with its importance.

Touching on extensive cultural relations it was said that Hungary is expected to be host to an Austrian cultural week in 1988-1989, in return for the Hungarian Cultural days held in Austria in 1986. They also exchanged opinions on dynamically developing tourism and the Hungarian negotiation group briefed its guests on Hungarian measures to facilitate entry into and departure from the country.

Finally Karoly Grosz expressed his recognition for the attentiveness which has been shown by the Austrian Government in helping the Hungarian folk group living in Burgenland to nurture its cultural traditions and native language.

Following the plenary session Karoly Grosz and Franz Vranitsky signed a statement on their joint intention to examine the chances of holding a world's fair jointly in 1995, in Budapest and Vienna.

Speaks at Budapest Dinner

LD292236 Budapest MTI in English 2042 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—On Tuesday evening Hungarian Prime Minister Karoly Grosz gave a gala dinner in parliament for Austrian Chancellor Franz Vranitzky and his wife who are in Hungary on an official visit. In a toast made at the dinner Karoly Gorsz stressed that the current official talks were an event of great significance and that it was expected that the discussions would give a further incentive to advancing cooperation. Among other things, he said:

"From the consideration of the future of Hungary and Austria, and the development of Hungarian Austrian relations it is an equally encouraging circumstance that relations between East and West and in fact between the Soviet Union and the United States which play a dominant role in the fate of the world, have shown a major improvement. I am convinced that this will have a beneficial affect on the whole of East-West relations."

"During the course of our talks we concluded with satisfaction that our position on most of the issues in international politics are identical or very close to one another. We agree that currently new perspectives of detente are evolving in our world but we also were of coincident opinion that this does not reduce the responsibility of our countries in promoting the intensification of East-West dialogue."

Speaking on the talks he concluded that bilateral relations have continued to expand in past years, growing through the inclusion of new elements. Very often, throughout the world these relations are qualified as examples of peaceful coexistence between countries with differing social systems that radiate internationally. At the talks there was a briefing on the changes in Hungarian travel regulations planned for next year. This will be an additional opportunity for expanding human relations, relations between the people, which are justly considered important.

He pointed out:

"Opportunities for political relations of a new quality exist in the future. It stems from the historically evolved relations between our countries and from present-day relations as good neighbours, and it is an intention that we now express, to hold a joint world fair in our capital ciites in 1995.

In the toast made in reply the Austrian chancellor told that the annual meeting of government heads is most useful since regular informal conversation has made a significant contribution to enrichening relations between the two countries.

"It is often said that relations between Austria and Hungary can be set up as the example of relations between states with differing political and social systems," he continued. "There is hard work and a good deal of effort behind thta conclusion. All of us who have cooperated in this are proud of our results, with which we are serving not only the public good of our states but, on the broad scale, European security and stability as well."

"New dimensions in bilateral cooperation can evolve, ones which can serve as examples in East-West relations. Our common thinking has no lack of creative ideas such as the intention to jointly hold a world's fair in 1995."

In his toast the chancellor pointed out that Hungary and Austria equally have positive evaluations of the successful talks between the United States and the Soviet Union on the dismantling of the European intermediary range missiles.

"The identity of interest of Hungary and Austria has been manifest in the framework of the Vienna follow-up meeting too, which brought life to initiatives reaching beyond block boundaries. The development in this field is at one and the same time, the sign of an increasing self-awareness of the small and medium sized nations of Europe. Hungary and Austria are pioneers in this dynamic process," stressed Franz Vranitzky.

Received by Nemeth

LD301038 Budapest MTI in English 1012 GMT 30 Sep 87

[Text] Budapest, September 30 (MTI)—On Wednesday Karoly Nemeth, president of the Hungarian Presidential Council, met Franz Vranitzky, federal chancellor of the Republic of Austria, who is paying an official visit to Hungary.

The meeting held in the Parliament building was attended by Laszlo Kovacs, deputy minister of foreign affairs, Janos Nagy, ambassador of the Hungarian People's Republic to Austria, and Arthur Agstner, ambassador to Austria to Hungary.

Officials Receive FRG Official Rau

LD292032 Budapest MTI in English 1821 GMT 29 Sep 87

[Text] Budapest, September 29 (MTI)—JOHANNES Rau, prime minister of the region of North Rhein-westphalia of the Federal Republic of Germany, deputy president of the German Social Democrat Party arrived in Budapest September 27th where he participated in the

ceremonious opening of the Raday student home. The guest was granted an honorary doctorate by the Budapest Theological Academy of the reformed church.

On September 28th and 29th Johannes Rau, in keeping with an invitation from Jozsef Marjai, deputy chairman of the Hungarian Council of Ministers, held talks with his host on international politics and topical issues in Hungary-F.R.G. relations. The West German political figure was received by Karoly Grosz, Chairman of the Council of Ministers, Judit Csehak, deputy chairman of the Council of Ministers and by Miklos Nemeth and Matyas Szuros, secretaries of the Central Committee of the Hungarian socialist Workers' Party.

Premier Grosz Holds Press Conference

AU291131 Budapest MAGYAR HIRLAP in Hungarian 19 Sep 87 pp 4-6

[Correspondents' report on international press conference held by Premier Karoly Grosz: "Socialist Democracy and National Unity Are the Pillars of Our Program"—in Budapest on 19 September]

[Excerpts] [passage omitted]

[Hungarian Television Service correspondent] How, and by what concrete measures is the government trying to accelerate the flow of foreign capital in the country, foreign capital that is very important from the viewpoint of technological development? In your opinion, which is more effective, a better use of the active capital than hitherto or taking and using new bank credits?

[Grosz] I am convinced that widening the scope of the active capital will benefit Hungarian economy. Our practice so far proves that financial capital can play an important role in economic development but it cannot fulfill in itself the role required under the current changed conditions. [passage omitted]

As to what we are doing in order to bring active capital into the circulation of the Hungarian economy, an economist would, no doubt, give a different answer than I. I say that, first of all, we will guarantee the social policy conditions and political conditions that provide guarantees that whoever invests here will reach his goals and make a profit. We will continue our legislative activity to create conditions that will provide favorable—primarily financial—possibilities for the investment of capital. [passage omitted]

[*Die Presse* correspondent] Mr Premier, you heard many problems voiced in Parliament on 17 September. In your opinion, which is the first, the most important one?

[Grosz] I think the most important task to seeing that the nation regains its self-confidence and belief that it can overcome the accumulated problems. If the nation does that, then it has taken the most important step leading to the implementation—with consistent and hard work—of the goals formulated in this very strict work program.

[*Nepszabadsag* correspondent] The government has finished a big step, and another one is currently underway in Parliament, the debate on the tax reform. When the National Assembly session is over, what do you regard as the most urgent government tasks that need to be carried out in the coming months?

[Grosz] There are many tasks and, in fact, I cannot classify them according to importance. The first and most important task facing the government is to sum up the lessons of the 4 days of National Assembly debates. This is the most important thing! Then, the government should embark immediately on creating the detailed organizational, technological, and personnel conditions for the tasks formulated by the work program. The government has to submit to Parliament within the year its proposals on the reorganization of institutions that belong to its sphere of authority. [passage omitted]

[*Vasarnapi Hirek* correspondent] What are you expecting from the more organized contacts between the government and the National Assembly, and what will these better contacts be like in practice? What will be the role and scope of activity of the Parliamentary Secretariat of the Council of Ministers?

[Grosz] The role and task of this new body will be to steadily inform the deputies and the parliamentary committees about the activity of the government and not to wait for the government report made to the deputies 4 times a year. [passage omitted]

The government would like the parliamentary committees to examine our concepts more often and in more areas prior to decisions. I would like to separately draw their attention to this requirement. Thus, these committees should carry out this activity not when there is no longer time for considerations and changes, but in the period when the preparation for a major government decision is underway.

Another form of cooperation is the dialogue with various groups of parliamentary deputies. The exchange of views with 19 county and municipal deputy groups provided the government indispensable experiences for its activity. It seems that this form makes informal dialogue more possible and provides better opportunities for the deputies to formulate their questions and observations in detailed issues. [passage omitted]

[*Heti Vilaggazdasag* correspondent] In your parliamentary expose, you spoke openly about Hungary's foreign debt and the severity of payments and interest burdens. At the same time, you also stressed that the government is firmly determined to avoid rescheduling of Hungary's foreign debts. How determined is the government in its intentions and for how long?

[Grosz] [passage omitted] When, on behalf of the government, I submitted the government program, I did not think of how to plan, organize, and accept the rescheduling of our debts, but I took the floor with the confidence and awareness that we will avoid the hard and crisis-ridden consequences of rescheduling. [passage omitted]

[BBC correspondent] Earlier, in the course of the preparation of the work program, you said that if the program were published it would confuse people. How is this compatible with the policy of openness?

[Grosz] It is part of the technology of politics that various circles can be involved in joint thinking in various phases and various periods of the decisionmaking process. When I spoke about this, I said that the program was still not adequately worked out to be published. It is an elementary rule for the leadership that if it wants to consult the people, it should first say what it wants itself. In order to be able to say what we want, internal workshop activity is needed, and we have to coordinate our own positions. [passage omitted]

[*Palestine Press Agency* correspondent] What is behind the Hungarian-Israeli agreement signed in Bern a few days ago?

[Grosz] Our principled position concerning the Middle East issue has not changed. The agreement cannot be regarded as the resumption of diplomatic relations.

[*Nepszava* correspondent] Under difficult economic situations, the debates between the government and the trade unions become more intensive. How do you evaluate the role played by the trade unions and their possibilities in the preparation of decisions, and is any change expected in this respect?

[Grosz] We will continue to consistently "argue." I regard it as natural that the trade union movement leaders represent the interests of who invested their trust in them. However, it is the responsibility of the government to coordinate the various interests or to look for compromises. This does not work without debates. [passage omitted]

Premier Grosz Comments on Assembly Session

AU292134 Budapest MAGYAR HIRLAP in Hungarian 17 Sep 1987 p 7

[Interview with Premier Karoly Grosz by correspondents Gazso and Gador: "After the Maiden Speech" following his speech in the National Assembly on 16 September].

[Text] "We should restore the rank, the honor, and the recognition of knowledge," Janos Toth, National Assembly deputy for Budapest and general secretary of the Federation of Technical and Scientific Associations, said in his remarks to the assembly late in the afternoon on 16 Sep. His statement was received with general applause, for the first time since the fall session started.

With Fresh Knowledge [subhead]

[Gazso, Gador] What do you say about this gesture that is currently so uncommon in this esteemed House?

[Grosz] The applause was not accidental. I was very glad that the deputies received precisely this statement with such great appreciation. Mobilizing our intellectual capital more efficiently than hitherto is a fsndamentally important condition for our development. At present this mobilization is hindered not only by the fact that the current practice fails to adequately recognize the importance of knowledge, but also by the fact that diplomas improperly reflect knowledge.

[Gazso, Gador] Are you referring to the fact that our expertise' knowledge is not up-to-date, not truly the latest? Janos Toth also spoke about this in his remarks....

[Grosz] I agree with him. It is unacceptable, for instance, that the 30 professional refresher training institutions at our disposal only instruct a total of 30,000 people, and they instruct them not only in various professions, but also in ideology and philosophy, that is, in knowledge which is the task of party education.

[Gazso,Gador] Now, a few hours after your "maiden speech," how do you evaluate the discussions so far and the prevailing mood in Parliament?

[Grosz] Now it is already clear to me that the deputies feel and understand the seriousness of the situation. They are ready to cooperate. I am glad that the discussion is objective. During the preparation of my report I was afraid that the deputies' remarks would focus excessively on the printed material that had been submitted to them in advance. But things happened differently. My experience is that they quickly associated earlier and on-the-spot information with their own convictions. It is fortunate that their statements show many spontaneous elements. The need for immediate action has matured not only in the government, and this can be felt in the assembly.

[Gazso,Gador] We saw that you took many notes.... Would you share with us what you wrote down?

[Grosz] I wrote down, for instance, that we should increasingly relate the government program to the economic situation in effect at the end of 1987. Precisely this is the reason why we should not forget that, in the spirit of stabilization, 1988 will be the year of economic restrictions, although the development at a later stage will require a considerably more open system of means than at present. I will no doubt point out the connections between all these elements in my speech.

On the Same Premises [Subhead]

[Gazso, Gador] Today, on the first day of the discussions, it is already evident that there are so many speakers that one fears that the discussions might easily extend beyond the 3 days allocated to the National Assembly fall session. Yet it is already an entire work day longer than usual.

[Grosz] In that case we will meet on Saturday, and if necessary, we will hold a session on Sunday, too. But my feeling is that the debate will fade after some time, as is usually the case, and many deputies will embark on repetitions. But I hear that, so far, many people have given up their intention to speak. For me this is an indication that many people, including us, are looking for the road to development on the same premises.

Deputy Premier Comments on Economic Issues

LD290240 Budapest Domestic Service in Hungarian 1815 GMT 28 Sep 87

[Phone-in program conducted with Laszlo Marothy, deputy premier, Politburo member, and National Planning Office chairman—moderated by Bela Gyoeri and Katalin Kondor; live or recorded; date and place not given]

[Text] [Announcer] Dear listeners, if you read the preview for this "Radio Dairy" program in *Radio Journal*, you are already aware without me having to tell you that in the next 75 minutes you cannot expect mindless entertainment. Our topic is the far from easy situation of the country and the tasks involved in the program for stabilization and resurgence. Your guest is Deputy Premier Laszlo Marothy, member of the party Politburo and chairman of the National Planning Office. When I ask you to phone us with questions for him, I would like to encourage you not to be shy. Our telephone number is 387-052. The questions will be put by Bela Gyoeri and Katalin Kondor.

[Gyoeri] So far, 120 questions have come in from the dear listeners. I hope, however, that Laszlo Marothy will permit me a few questions of my own as well.

[Marothy] Yes, of course.

[Gyoeri] You have been head of the National Planning Office since the beginning of this year. Are you enjoying yourself?

[Marothy] Yes, very much. Usually when people ask how you are, it is customary to punish the questioner by answering him at great length.

[Kondor] How many hours could you go on for?

[Marothy] I will not speak about all of it. When I first heard that I might be put into the National Planning Office, they saw that I was not terribly enthusiastic; one of the arguments used to persuade me was that this is one of the three most difficult posts in this country. I forgot to ask what the other two are, but on the basis of the experiences during the past 9 months I am sure that if there are three or four such posts then this is one of them. This is how it has to be understood that I am enjoying myself: It is a source of some pride if you can fill one of these posts.

[Gyoeri] In the good old days you were party secretary at Szentendre.

[Marothy] Yes, at the beginning of the 1970's.

[Gyoeri] Later you were first secretary of the Central Committee of the Communist Youth League, then first secretary of the Budapest party committee, and then deputy chairman of the Council of Ministers. I have listed them because all of these are expressly political posts, a political career. In fact, you have been doing political work ever since you graduated from college. Now you are leading what is an expressly professional organization, which I could describe as the top economic ministry of the Hungarian People's Republic. In other words, you moved suddenly from politics into a professional sphere.

[Marothy] You should not have described it as the top ministry because I would not like my colleagues, my fellow ministers to lose confidence because of the task.

[Gyoeri] We will return to this question.

[Marothy] Can I ask you a question now?

[Gyoeri] Yes, go ahead.

[Marothy] You were talking about a profession. What profession is needed for planning?

[Gyoeri] Comrade Marothy, when I studied planning and economics in the 1960's this was a rather messianic business; I learned a great deal but to this day I do not know what planning is.

[Marothy] Well, first the question of the profession and then we can talk about planning as well. Among my colleagues there are economists. They include all sorts of economists, from planning economists to foreign trade experts. There are also engineers of various sorts, engineering specialists, chemical engineers, agrarian specialists, political scientists, sociologists, mathematicians, philologists; we could not do without them. [sentence indistinct] So our function is carried out with the help of many people and a number of professions.

The other question is what planning is. Since everyone is something of a planner in his own life, it may not appear excessively [word indistinct] to say that from one aspect planning is the conveying of the characteristics of the

economy to the political sphere and, from another aspect, the transmission of the political will to the economy. [sentence indistinct]

[Kondor] May I also ask something personal? [sentence indistinct] In my travels and talks with people I have found that nobody in Hungary opposes planning. This has been raised in the past few months. What people do oppose is the nonfulfillment of plans. They are regularly not fulfilled. What do you think?

[Marothy] I too find that in Hungary the people are not against planning [words indistinct]. The tasks of this period demand from the planning point of view different approaches and methods.

[Gyoeri] There is a consensus in Hungary that the economy is in a bad state. How do you view this from the planning center of the country?

[Marothy] In past weeks, particularly in reports on the National Assembly session, people have been able to read a great deal about the state of our economy. I understand that people's immediate response is to react emotionally and they are nearly at the point where they do not like to hear anything as we paint our situation in very dark colors. Therefore, I would not like to return to the things we have already pointed out. Still, I would say that the things voiced by our prime minister, by the general secretary of our party, must be taken very seriously. The situation is such that it can be painted in such dark colors. However, it is much more interesting for the people to know what these dark colors are made up of, what tones and contours there are. Here something must be mentioned which can illustrate this better. This difficulty, as is well known, has a fundamental characteristic [words indistinct] heavy burden—I shall not say—and this is our debt burden. The figures on it were given during the National Assembly session but in our discussion here it may be brought down to a more human level. For the people, phrases "so many billions" and "that many billions" are very difficult.... Instead, people want to know the trend.

Taking one aspect, the trade balance, this can be illustrated in the following way. In 1984 we had a trade surplus of $700 million. In 1986 our trade balance went into the red by $400 million—a deterioration of $1.1 billion. The other conventional statistic here is to measure the indebtedness per capita. In 1984 each Hungarian citizen owed approximately $380. By the end of this year this debt will jump to $900. As for the debt servicing burden—and I refer to a wage earner as opposed to a citizen—one wage earner pays 8,500 to 9,000 forints annually in debt repayment installments. Well, if you look at it in terms of the OTP [National Savings Bank] perspective [words indistinct] this could be solved in this way. Well, the debt burden is one thing. Unfortunately we will deal with this a great deal in the coming years. Still, when we speak about this difficult situation this is only one of its indicators. There are others requiring analysis, self-examination, and reflection not only by the leadership but by everybody else as well.

Another feature I consider important is that we say we work a lot in this country. Indeed, our people do work a lot, not only according to the surveys but everybody can sense this. People go home, change into different clothes, and immediately start to do something.

Professor Timar of the University of Economic Sciences did a study showing that 1 million people work more than 14 hours every day in our country. This is one-fifth of the workforce. Another 1 million work between 12 and 14 hours; in other words, they work a lot given these indicators. What is the other side of the point? Let us put this into perspective: What we produce and deliver has a price stagnant, even in the best of circumstances. In other words, a process is taking place in which we work harder but the money we get for it does not increase. In other words, the volume of work grows while its value does not.

There is another symptom of this which I would like to illustrate here and I think it was made public by the radio at the time. The director of one of our well-known factories got into a dispute with a factory employee. It was a labor dispute [munkauegyi']. The dispute itself is uninteresting. The subject of the dispute was that during the grape harvest the employee wanted to go hoe the vineyard—or was it vegetable harvest time? It does not matter—but what matters was that he worked on equipment in the factory which was of great value. This turned into a national debate; half of our people took the director's side while the others supported the employee. What is interesting for me is what is the amount we work and what is the value of it. Think about it. Ask yourself how much profit is produced by the very expensive machinery which, what is more, was producing goods whose saleability on the market was good and how much profit is produced by working in the vineyard. In other words in public opinion already there is an ambiguity in this regard.

[Gyoeri] It was the Raba [Engineering Works] and there the workers receives more for hoeing the vine than in the factory and the worker's dilemma is unambiguous....

[Marothy] I mentioned this intentionally. In other words, where should we spend our working hours? Where is that 12-14 hours work utilized and how? This is another feature of our problem. There is another symptom. At the current International Fair [in Budapest] I met Ernoe Rubik [inventor of the Rubik cube]. Well, the fact that he is an inventor needs no proof. He showed me his most recent things; he is a very pleasant man and it is a good feeling to speak to people like him. At the end, I said to him: You know the ways, you know how these things go, why do our enterprises not introduce new products and if they do so why do they do it so reluctantly? Rubik answered in one sentence: As long as they

can sell what they have, they will not produce something new. It is a very simple truth, but again it is characteristic. They can sell it so they do not act aggressively; they do not try.

I would like to mention something more. In a certain kindergarten—as it is the convention—the higher authority goes out and carries out an inspection. Well, the teacher relates the problems: there is no paste, the wooden spoon is broken, toys are missing, a vacancy cannot be filled, and anyway wages are too low, and there is a need for more toys. These are well-known things and can happen in any kindergarten in the country. The inspectors agree in the end that the wages of department heads are low, that they should be raised, indeed that prestige should be raised. Here is the point of the story. Somebody among those present has the presence of mind to ask: How many of you are here? There are nine of us, including the unfilled post. How many children are here in the kindergarten? Thirteen. How many children are yours out of the 13? Six children are the children of the employees. It does not matter where it happened. It is a characteristic feature. How we live, how we organize units that are important to us—of course, wages are low, there is an unfilled vacancy, and I do not know what else. This too is a symptom of our illness and an (?aspect of) our problem.

[Gyoeri] I cannot argue with your example.

[Kondor] While I cannot argue with the example, I can with your statement that it does not matter where it took place. I think it is very well known that it is not at all a matter of indifference where either story took place. Although it is not the task of our program to speak about that, as long as it is not reported where something happens and how it happens I cannot believe in real progress.

[Kondor] May I stick to this matter of our $900 per capita debt? I have converted this into Hungarian forints and at the official exchange rate this comes to around 40-45,000 forints. So what this means is that in 1 year we should place that amount on the table—each of us, apart from what we need to live on—and then we could forget this whole debt. Only, of course, it would be terribly nice if we could do it in forints, though it is still an enormous sum. Only we would have to go one step further, because unfortunately, we have to repay this in dollars, or marks, or yen, or whatever. Therefore, in order to repay this, we cannot keep our own products here at home, which somewhow or other we can sell, whether at a good or bad price; instead, we have to go abroad. Right away we see that the essence of the matter is how we are able to operate in that particular world market, where we have to appear if for no other reason than that we have to repay the debt.

[Marothy] Well, we need dollars; in other words, we need hard currency. The more we do, the less simple it is. If you think about the conditions of this appearance...

[Kondor, interrupting] Its possibilities, in fact.

[Marothy] What are its possibilities, that is certainly worth a calculation.

[Gyoeri] Excuse me for interrrupting: We have been asked by the editor to tell the listeners our telephone number, so that they can ask questions; in the meantime, our question is how the international scope of activity is developing for the Hungarian economy.

[Kondor] Well then, what is our international scope of activity like?

[Marothy] Yes. I think many people in Budapest are like me in thinking that they ought to collect the flags of nations because I myself cannot keep track of who has gone where or when I get postcards from my colleagues know where they are. So, I divide the scope of activity in two. We have a political scope of activity which is very wide-ranging and means a great deal for our country. We speak a lot about this, in a very true and characteristic way. We have an economic scope of activity. This economic scope of activity is not identical to the political scope of activity. Objectively it cannot be identical. Here it is a question of business: I sell, I buy, I pay, I owe....

[Kondor] In our current condition we might say that we wish others owed us something.

[Marothy] [laughter] That would be very nice. The two things are in a certain sense connected. If there is a political scope of activity then you can go after an economic scope of activity. This is objectively more difficult. Perhaps even with our economic diplomacy we cannot move as we need to; here it is necessary to move rapidly. If we put our main relations under the microscope, well, with our allies, with the Soviet Union, here our scope of activity, if I look at the volumes, is extremely large. It is extremely large; in recent times it has even been expanding, insofar as an identical type of economic concept is rooted in the Soviet Union as well.

[Kondor] This is expanding today?

[Marothy] Of course it is expanding; I will talk about its daily practice as well. It is expanding because we are able to talk the same language, and sooner or later this will always be a basis for understanding. It has been expanding in the two earlier (?branches) as well: relations with republics, mixed enterprises, which appeared between ourselves and the Soviet Union in a relatively early phase even among socialist countries. (?work) is expanding. Well, it is true that in daily practice this is not precisely so, because the restructuring [atepites]—translating the Russian word into Hungarian—has even there mobilized intentions and forces which set different kinds of demands.

[Kondor] Give an example.

[Marothy] Yes. When I read the material published by the Soviet State Planning Committee, this is the sort of thing I see: The state receivers did not accept 20-90 percent of machine industry products because of quality faults—that is, Soviet machine industry products, not Hungarian ones. Therefore, what this means is that an incredibily serious technical and quality control problem has come into being there. Or, when the enterprise has greater independence and it begins to calculate, as is now the case in the Soviet Union, on the basis of the enterprise law, then it says: the Planning Office—and I mean here the Soviet Planning Office—would have given me these processing machines, these conveyor machines, and other things. But if I want to produce my profit, it may be that the old machines are still all right, I will not buy any because that means an expenditure for me. The enterprise sends a message back to the Planning Office saying: Thank you, but we do not want them. It then calls us, or contacts us in some other way, and this type of order is lost at our transporting enterprises.

[Kondor] In fact, something that has already been ordered must be cancelled.

[Marothy] Yes. This is a normal function of the economy. This is connected with the scope of activity, insofar as we have not been used to this, our enterprises have not prepared for this, this is undoubtedly a surprise, and sometimes indeed it is a very difficult thing.

[Kondor] Hungarian economists very often say it would be good if the two markets were uniform. This example suggets to me, if I could put it crudely, that we will reach the point where nobody will continue to buy all this trash. I do not want to offend anyone, but I think we could give one or two examples of this as well. But we will not.

[Marothy] That is exactly the point. How long have we been saying this!? Everybody says this and believes it, too. But as long as this law is still in force, here as well, as long as people buy it, everybody will naturally (?do it). (?What is) the scope of activity in CEMA? CEMA'S functioning is historically known, as is the way it has developed in recent years. Indeed, it has taken a lot of criticism from every socialist country, from the Soviet Union and from us as well. The next CEMA session will deal precisely with this: How it must be further developed so that it meets today's developmental requirements. The requirements would be different now, according to the Hungarian positions. We would need a more flexible financial system; we would have to better organize our internal market, the internal CEMA market. Then we would have greater scope for activity. Now, while this transformation is taking place, there is an interesting dichotomy: strategically it is a securely developing market, but in the management of its routine matters, it is unable to yield for us that which we could rightly expect.

[Gyoeri] While CEMA countries, at least here in Europe, struggle with nearly identical problems, they could also harm each other's interests within CEMA.

[Marothy] Naturally. Well, they have roughly the same level of development; they have roughly the same problems. Every socialist country would in fact like to acquire capitalist currency, acquire developed technology. This sometimes means that cooperation could be damaged.

[Gyoeri] We shall shortly allow you and the listeners a few minutes' rest time. Before that, another question: We speak very little about relations between the Hungarian foreign economy and the Common Market. This is because negotiations are now in progress between the Hungarian People's Republic and Brussels. However, it would be good to know much more about this topic, because the scope for maneuver of the Hungarian economy is determined to a large extent by what steps we are able to take and the possibilities we have in Western Europe.

[Marothy] Yes. The fact of the negotiations stands in the manner mentioned by Comrade Gyoeri. I would like to say that, since these are at an operative phase, if you excuse me, I do not want to give an account here of the details of these, owing to Hungarian interests. However, I would like to speak of the basis of the negotiations, which are entirely normal between trading countries. Western Europe receives us as an equal trading partner. In point of fact, the negotiations are in progress for this purpose, and I believe that there is nothing in this which might (?change), in some manner, into some kind of extra requirement or something similar.

[Kondor] I think that it is worthwhile to say a few more words about our scope for maneuver, in Western Europe generally and in the countries outside the socialist countries.

[Marothy] [words indistinct] that our political scope for maneuver here, in point of fact, is complete. Neither is our economic scope for maneuver small, but it is motivated by economic interests, and we could make distinctions. Without listing them, I could mention that our economic relations with the FRG are more vigorous than with other parts of Europe.

Now, stepping outside of Europe, our trade turnover with the United States has increased, by all means considerably in the current year, and it is interesting that the United States' selling prices were relatively low because of trade policy, but we were unable to take advantage of this. Therefore, this (?affects) our economic (?level) a little.

World economic prognoses say that the order of world economic growth will take shape as follows: Japan, the United States, and afterwards, Europe. In quantities: Europe will experience growth of some 2 percent. The United States will experience 2-3 percent growth, and

that of Japan will be around 4 percent. The dynamism of China, of the southeastern Asian countries will increase. Therefore, our room to maneuver will increase a little. Europe, with which we have relations, will be less dynamic.

However, if it were necessary to paint a global picture regarding room for maneuvering, I would say that in this sphere, and as a consequence of the dynamics, we still have business to do. But, alongside a growing number of competitors—and the competition is switching over to the processing industry, and most of our competitors are able, with a great intellectual background, to put products on the market—the Hungarian economy has scope for maneuver, and it will not become easier; it will become more difficult, mainly if we operate on the basis of the present structure and our present activity.

[Kondor] Therefore, we could sum up by saying that competition is great and it is not sacrilege if we go farther and farther on the market. Now, a musical interlude.

[Kondor] In the meantime, colleagues have slipped in more listeners' questions. We are selecting from among them. Jozsef B. Pal, telephone number 856-925, asks: Our country is falling into debt because of dollar-accounted transactions. At such times, we borrow from the Western countries. Are these borrowing activities starting to affect our country's social system?

[Marothy] I would like to mention two things. One is that we trade in two directions, and in the other direction, in nondollar relations, we have nearly a positive balance. Therefore, the emphasis of the Hungarian economy lies not only in the West, but in the East, too.

The other thing: The danger is not whether they will affect Hungary's social system, but whether we are able to handle this money. We ought to know how to invest this money so that the income stemming from this is greater than the interest. Only thus is it worthwhile and only thus will we have a guarantee that the country will not fall further into debt.

[Gyoeri] Laszlo Meszaros, at telephone number 895-290, notes that there has been talk about production and consumption being out of balance. More money has flowed out than the amount we have produced. Why have we not been able to contain the outflowing money?

[Marothy] I had the question of where money flows to investigated years ago. My colleagues drew for me a barrel showing that every one of its holes was flowing. In truth, big money goes out in such a way that we give various forms of support for the produced assets. Some of the support has been used for development, for paying wages; to be sure, there is enormous wage pressure in our country. Part of the support is used for money, wages or some kind of recompense. Right away, the two are not in sync. The value of the income is low, but the wage demands are high.

[Kondor] Sandor Lukacs, telephone number 857-124, asks: How is the fulfilment of this year's plan affected by the fact that we must expect considerable agricultural export losses because of the bad weather? Do you expect this?

[Marothy] To be sure, we unfortunately must very much expect this. Due to wheat losses, we already have to count on at least a 1 percent decrease in national income.

[Gyoeri] In our conversation so far we have agreed that the economic situation is not exactly rosy. The question now is over the solution. We have heard in the various statements that we will find a socialist solution to our problems. I would like us to discuss this concept in a little more detail. What will make the solution socialist and why is it a socialist solution?

[Marothy] Well, let us not go into a scholarly discussion; let this be the job of the scholars, and we hope that they will indeed elucidate it for us. Let us speak in simple terms. Obviously, we must stress this more because questions have arisen as to whether what we are doing, and the way in which we are doing it, are necessarily socialist solutions. It is known that these questions arose in the most varied forms in connection with certain reform tools. It must be said that there is no final blueprint of socialism, nor is there a final blueprint for a socialist economy.

From another aspect, the socialist countries as a whole began building socialism amid bad economic circumstances. However, they did so with socialist goals. We have never had the productive bases for what we would have liked to achieve in our plans and in our politics. Yet these bases are needed to attain the goals. Consequently, we need a level of production, a qualitative level of production that is capable of providing the material bases for the goals.

Now, here is a big question: What is the way to achieve this? There are two paths that we know of: one is the one that was pursued by the capitalist states, and the other the one we are seeking. But let us return to the point of reiterating this more frequently, since doubts have emerged. I remember the stages in the various debates about the reform. I was a university student when, in the mid-sixties, the work began on developing the reform. I also participated in something at the university.

[Kondor] At the agricultural university?

[Marothy] Yes, at the agricultural university. These debates were always accompanied by an analysis of certain issues. Let me give just one example, and this is something that has come up even in the very recent past. What is socialist property? This became a huge political issue, that the true socialist property is state property. And cooperative property?

[Gyoeri] That was only half socialist.

[Marothy] The Central Committee had to adopt a position on this. Has it elucidated what other forms of socialist property might exist? Are those which are not state or cooperative inherently suspect?

Then it was said—not by the ideological or political sphere, but certain things were made into ideology—that in socialism enterprises had to be stable. Just remember, there were statements to this effect. Where do they have to be stable? They have to produce, they have to bring in a revenue. Thus, the other aspect of this is that if the enterprise is not stable, then the solution cannot be socialist either.

Well, it is obvious that this is why we need an answer. Now, if you look at international literature—and it is noticeable that writings by Soviet economists and historians are coming out more frequently—it says the following—I do not want to go into all the details. They say that the Soviet model of socialism of the 1930's—I am thinking here mainly of the economic model—cannot be regarded as some sort of classic model for socialism. There was also the New Economic Plan, particularly in the early period, which later was not allowed to develop further.

Thus, what is happening is a search for this socialist model. Nevertheless, what is socialist? This is not such a difficult matter, and I would like to recall what the general secretary of our party said at the National Assembly session. He said that there was no need to ideologize everything. This is a habit with us. To give you just a simple example: An article appeared in *Magyar Ifjusag* about the tax system; it was an excellent article by the deputy minister of finance. He said something to the effect that tax has no ideological content, something like that. I remember that many people were outraged about this: How can he say that it does not? Yet, it really does not. The tax is a tool and why should socialism not use it?

Nonetheless, what makes it socialist? There is something that accords with our fundamental norms, something in which we differ greatly from the capitalist societies. This is that we are a community society, and whatever helps the development of this community society can be accepted in the economic sphere as well as a socialist solution. In other words, socialist humanism and rational economic activity.

[Gyoeri] Here is another question that I would like to ask you, if we could get a quick answer. You used the concept—it is obviously a widely-used concept of ours—of reform. What does this word, reform, mean in the socialist world of 1987?

[Marothy] It would be very difficult to answer in one word. After all, our societies were created by revolutionary parties. So what is the concept of reform doing here?

[Gyoeri] It is a suspect concept.

[Marothy] Yes, suspect. Yet, in a certain period, as we recall, in the workers' movement (?the dividing line was between) revolutionary or reformist. Nonetheless, the political essence of the matter is that after the resolution, after gaining power, it attains the socialist society through continuous reforms. Now, what can be the social content of the word reform? With a little over-simplification, it is obviously not the type of evolution that nicely develops, but some sort of turning point, when in the interest of some idea and goal we do not always want the same, only a little better, but something else in a different way, in the interest of the same goal. In other words, we are not moving on but achieving a breakthrough toward a certain front.

The meaning of this word, reform, is however becoming enriched in various ways. Let us take the various ideas of the Soviet Union expressed in connection with the reform. What is involved here is not simply a reform of economic management, even though that is involved as well. What is involved is social, political and ideological reform.

[Gyoeri] We would like to return to these questions at the end of the program. Speaking about Hungarian issues, let me ask another question. We are in 1987, at the end of September. How has production developed in terms of the plan this year, because it is this that determines the possibilities for 1988, I think?

[Marothy] Undoubtedly. There are still 3 months to go, and these full 3 months are not just one quarter of the year—in such a period the Hungarian economy shows different characteristics than, for example, in August or July, when the holiday season is at its peak. At this stage foreign trade gets a bit of an impetus and wagons are pushed across the border even after Christmas. In other words, these 3 months are extraordinarily important. Well, in any case how are all these shaping up?

Production is growing better than we expected. It rose above 3 percent, but since then it has moderated somewhat. This growth is not what we wished, of course. Moreover, it is the basic material and energy production and not primarily the machine industry that are elevating the figures. We have already spoken about agricultural production. Here, unfortunately, the weather has interferred. Our hard currency export has grown, which is very fortunate, and our import has decreased, but these did not occur at their own behest. So, what are the processes taking place in 1987? It has been possible to achieve some results, and we have put an extra effort particularly toward 1988 so that these results will stabilize. We have adapted a budget accepting a 44 billion forint deficit. This is a very high figure. As soon as the year started and we saw the various processes, we had very good reasons to assume that this deficit would reach 60 billion florints by the end of the year...

[Gyoeri interrupting] In other words, so it would have been 13 million billion more than in the past year.

[Marothy] Well, yes, it is impossible to allow this; there are differences of scales here. Then the government started the process of economic organization work that would ensure the external and internal balance—because, after all the two are related. Today it seems that we shall be able to stabilize the budget deficit at around 30 billion florints by the end of the year, although we are not there yet. It appears that in foreign trade the volume of hard currency export we wanted to approach will also be fulfilled. Well, I am afraid to say yet that our foreign trade balance will reach the point we would have wished it to; probably it will be a bit worse than that, but a quarter of the year still remains.

[Kondor] The next question comes from Tatabanya, telephone 14214. The latest party congress discussed maintaining the living standard. Will the present deterioration in the standard of living not undermine confidence?

[Marothy] Well, the question has two sides. Indeed it was this which we discussed at the party congress, but not at the party congress only. I would like to mention to the questioner that at the end of last year when we adopted the plan for this year, even then it was our intention that it should not be allowed to let the standard of living deteriorate. It is not a simple issue. Nobody likes to see living standards worsen. By now we see that in terms of the average it is impossible, but I would like to say that the present standard of living is undoubtedly impossible to maintain in the coming years, but this takes place only in terms of the average. The stabilization we expect contains in itself the opening of the possibility to gain income through which large strata of the population will be able to maintain their living standard.

Here is the second part of the question. This is the thick of politics. Will the present deterioration of the standard of living not undermine confidence? I hear this question everywhere—in the market, at the hairdresser, in circles of friends, etc. Will there be no trouble here, so to speak? Owing to the things which will come; the worsening standard of living, etc. One has to think this through many times in a responsible manner and perhaps also our work as to when and how we made statements about this issue. It is my deep conviction that the deterioration in the standard of living which will take place is not going to occur at the level of the average Hungarian whereproblems of making ends meet exist already. Our people on the whole are not poor—there are strata, but still, in recent years they have acquired many forms of property. Well, if these past years have made possible this income gain, we have reached a certain level. Some of this must be taken back—not necessarily—but if there is a need to take a step backwards, I do not believe that this would undermine the fundamental confidence of society. Our people have something to protect them, both now and in the future, even at a lower level.

[Kondor] (?Of course) this confidence can also be undermined by people seeing at the workplace that certain strata can gain an income without working for it.

[Marothy] Well, the universal confidence cannot be undermined by this in my view. It can create a bad atmosphere and it can set a just demand with which the party and the government fully agree and see as their responsibility and task that these certain invisible incomes must, under any circumstances, be stopped.

[Kondor] Another question, from Janos Danko: If we do not manage to fulfill the 5-year plan, which is laid down in law, then who will be the violator of the law: the National Assembly, the State, the government, or the people?

[Marothy] Well, this is a [word indistinct] question, if we have to talk about violation of the law. I could not speak of a violator of the law. If I did, then it would follow that almost anyone could be named here. Of those mentioned, the National Assembly and the people would have to be excluded right away. Here obviously only the government can be concerned. We can talk about violation of the law only if this 5-year plan fails to be fulfilled because of negligence. In fact our original 5-year plan, as to its scale, even if measured very strictly, in the main failed to be fulfilled not because of negligence, but because that was the way the objective circumstances evolved.

[Gyoeri] Are there any more questions from listeners?

[Kondor] There are, but I think I would like to raise them in a later phase of the conversation, if you allow me to do so; for I would like us to go on to the other very concrete question, namely: How can we advance from this situation? To put it quite bluntly, what will the resurgence be made of? What does the government anticipate in money, spirit, will, new institutions? Can we take these one at time, at least in outline?

[Marothy] Yes, at all events. I would like to begin with this, referring back a little bit to what I mentioned at the start of our conversation, too. The first condition for resurgence is that a sort of calculation, which started at the Central Committee session, should continue among all our people; a sort of fixing of a system of objectives, and the evolving of a determination. It was expressed very well at the National Assembly, where the deputies, knowing the seriousness of the situation, voted very responsibly and with willingness to make sacrifices with regard to the tasks. I maintain, and I say responsibly, that along with the growing social understanding it must be seen as a basic condition, and that is why I stress it, that this assessment, this determination, has not yet evolved fully among our people. Possibly because we ourselves have not done enough toward this, or have not consulted about it sufficiently. But one thing is certain: The first condition is that by the end of the year this kind of consensus should come into being. I consider this to be fundamental.

[Kondor] [words indistinct] one hears that more such parliament sessions would be needed; that is, in plain language, more forums where opinions clash, where answers are born, where from time to time they even sum up what we have bungled. Because I think we may say that, with the exception of the last one, there have not been too many like this, at least, not as open and willing for debate. I know that everything can and must be increased, naturally; but we can still state that this is how it should go on, and more frequently.

[Marothy] I would go along with your observation that indeed there is a need for many forums such as the Central Committee session and the parliament session. Every forum should be like that, where decisions are made. That is a basic condition. The other is that we must look, not lethargically but very seriously, at just what sort of burdens are weighing on us. We must not collapse under them, but weigh them up and gather our strength for them. This has become public knowledge through the concept of stabilization, with regard to the coming years. What this means, indeed, is that we will have to find a series of solutions which are of this reform type and nature. What this stabilization means is that we have to shed all methods, means, characteristics that do not take the economy toward effectiveness.

[Gyoeri] The basic question was: What will the resurgance be made of? We could continue the question thus: What will the enterprises' income be made of? What will the individual's income be made of? But I think that the basic question is nonetheless: How can the operative capital be utilized most purposefully? There is the state money, there is private money, there is foreign capital, which we would like to utilize in the Hungarian economy. There have been many regulation obstacles in the way of the useful operation of this capital. There have been many regulation obstacles in the way also of technological development.

[Marothy] Yes. Well, what part is played in the national economy by enterprise income, personal income, and everything else that is necessary for production? Well, even lately there has been a certain mutual finger pointing between the government and the enterprises, with and without good cause.

I think we can work only in a partner-like relationship, being open to each other, listening to each other, but in the interest of a common cause, and not giving in to the other, only in the interest of effective production. The government's task here, in the period of stabilization, will be to remain immovable in everything that it has begun: [word indistinct] policy, tax policy, in the field of incentives, and other things. It should be able to show the enterprises that this is the scope of activity. Now, as to what the enterprises' income will be made of, I will discuss that with pleasure. Our enterprises have grown up with large licences, regarding the handling of domestic tools and regarding ownership, since they have been given the handling of the society's property, and in their scope of activity for foreign trade. That is where they can decide what the incomes will derive from. On personal incomes, enterprise performance is obviously a factor. But even in such a very difficult period I am thinking of certain incentives, in 1988 for example, where those enterprises that will be capable of bringing in good productive dollars should have a bigger possibility also for wage development. Moreover, for those that are absolutely stable in this—I am going a long way ahead here, for this is still in the workshop, and not even the government has [word indistinct] it yet—we would even attempt to lift this wage regulation in a few enterprises, if their production is certain to that extent.

[Gyoeri] So the present situation is not that from the cellar to the attic everything will now change and everybody's income will decrease; in the normal and well functioning enterprises the income will increase. I am talking about personal income.

[Marothy] That is so.

[Gyoeri] There will be no regulation obstacles to this?

[Marothy] There will be no regulation obstacles to this if the given effectiveness exists. Regulation itself, it must be said, will be very strict in the entire period of the resurgence and, unfortunately, in 1988 this will have to be made even more severe for reasons of equilibrium.

[Gyoeri] Very many organizing principles are changing in the economy. Thus, governmental work will also change. There are many rumors going around; people think they know that ministries will be merged; most recently I have heard that the ministries of foreign trade and domestic trade will be merged.

[Marothy] What about the National Planning Office?

[Kondor] It should be merged with [word indistinct].

[Gyoeri] The essence of the matter is how the governmental work will change and how planning will change within this governmental work?

[Marothy] You know, this work—namely that the governmental work must be renewed and that efficiency must be demanded—has been going on for a long time. The very simple part of the matter is to merge or de-merge. This is something that must be left until the end because it is no good like this. The first step is to determine the current tasks of the government, or, as the professional literature puts it, to determine the governmental functions.

[Kondor] And whether this or that institution is necessary or not.

[Kondor] Summing up your quite diplomatic answer, there will obviously be organizational changes, and methodological changes, and you are thinking about this...

[Morothy] Yes.

[Kondor] However, we are not gossiping here I would like to continue with a question from a listener—and allow me to say in advance that the trust of the people may be strengthened if from time to time they gain knowledge of what the people managing the common money spend it on. And their trust would be strengthened by the point of the question by Imre Kalman, telephone no 487-294, that the chairman of the government has spoken about enforcement of the principle of performance and wages refor. Can the formation of a wages system that recognizes differences in real performance be expected, and how can a wages reform evaluate highly qualified work?

[Marothy] It is not simply expected. The chairman of the government has stated that work on this is under way, and we intend to do this. There are various possibilities and various degrees to this. The elaboration of this will, by all means, progress ahead next year. It will have less palpable effect, because of the relatively low wages.

Now, as regards how it can evaluate highly qualified work. In the final instance, there will have to be two tools, and both will exist if our wages reform has come about, that is, there should be the earnings. This is why the wages reform is necessary, and he is a good manager who dares to pay this. I would like to say that there are managers whose highly qualified personnel earn good wages at present, too. On the other hand, we need a tax system, a personal income tax, where we are able to realize an internal balance preserving purchasing power, among other things. Now, there will be no obstacle to this.

[Gyoeri] As I look at the clock, I see that we have little time left. We still have some questions—can we get a promise from Comrade Marothy that replies will be given to the unanswered questions in *Magyar Hirlap* by officials of the National Planning Office, and by you, personally?

[Marothy] If you think that the questioners are interested...

[Gyoeri] Definitely! We still have 2 minutes. Many listeners have telephoned—but we here also have a question to ask. Firstly, I shall impolitely pose our question: Organizational renewal is inconceivable without personal renewal, is that not so? It is our conviction that there exists, in every adult age-group, mature, committed, responsible people who are able to lead. What organizing principles does personal renewal have in government work, and—may I also ask the member of the party's Politburo, the chairman of the National Planning Office—in the party? By the way, this question is also asked by Imre Halmos, telephone 361-996; Gyula Meszaros, 332-653; and I could continue to list them.

[Marothy] Yes. As you, Comrade Gyoeri, and the other questioners have said, it has emerged that our country invariably screens people. In a very interesting way it also has emerged that these issues are harped on—at least in a way represented by them—primarily by those who belong to our population's more elderly age group. And you have said that I still have 1 and 1/2 minutes, or not even that much.

This is a serious question which cannot be answered by a yes or no. Part of the answer is simple, because such (?prominent people) exist in every age group. I immediately add that every age group is represented in every post of our leadership—just think, from the village council, let us say, to government, and from the party's base organization to the Central Committee. Therefore, in this sense, it is (?conjunct). The other thing is the personal condition. In an interesting way, when our people now do the screening, it seeks responsible parties—one, two, five, ten—I do not know how many; a person has the feeling that they might view the situation to be resolved with the personal change of one, two, five, or ten. I do not believe this.

Our system of leadership is built on organizations, and there are many people there. And allow me to say, on the basis of my experience—it is difficult to debate in this manner because you cannot speak back—that the fact that our situation has become so difficult did not come about through the work of one, two, five, or ten people. Neither will it improve through the work of one, two, or five, or ten people. What we must think about seriously is that the responsible bodies which make decisions in politics, governing, at every level, should be able to work in scale with their responsibility—although the responsibility might be different than previously. However, this also means that there should be many people who accept this responsibility, many suitable people. Our systems are suited to this type of selection, and I surely think that these bodies of ours will be able to accomplish this very difficult task.

[Kondor] Thank you very much for the answers and for the conversation. Dear listeners, you have been listening to "Radio Diary" on stabilization and resurgence, and, I believe, on many sub-topics of this. The program's guest was Laszlo Marothy, member of the party's Politburo and chairman of the National Planning Office.

Council of Ministers' Work Program

AU250601 Budapest MAGYAR HIRLAP (supplement) in Hungarian 19 Sep 87

["Full Text" of "The Council of Ministers' Work Program for the Period Between 17 September 1987 and 31 December 1990"—adopted by the National Assembly on 17 September]

[Text] The Council of Ministers' work program for the period until 1990 formulates the government's intentions, tasks, and the means of implementing the goals, taking as its point of departure the MSZMP Central Committee Position of 2 July 1987. This program counts on the general goals of the government program adopted in 1985 and the Seventh 5-year Plan, but it takes as its basis both foreign and domestic economic and social conditions, which have in the meantime become considerably more unfavorable.

The program highlights the major government tasks of the stabilization phase in the few years ahead of us and the creation of conditions that will contribute to laying the foundations of development. The creation of the financial basis for our further economic development and for us to extricate ourselves from our difficult economic situation should go hand in hand with the need to renew our social and economic system, make our socialist society work more efficiently, and increasingly adjust to the world economic processes. Improving the operational capacity of our socialist society is urged also by the need to ease, and subsequently eliminate the present disturbances in our economy.

Along with the internationally appreciated achievements, the development of the Hungarian people's economy has been accompanied by long-time accumulated tensions and contradictions. As a result of the poor economic results of the past 2 years, we have failed to implement our essential economic policy goals. Our convertible currency debts have again been increasing considerably. The harmony between enterprise performance and income is repeatedly upset, society's consumption exceeds production, and our domestic financial balance has deteriorated further. Some of our traditional export products, and our economic performance in general are constantly losing value on the world market. Production of new and up-to-date products that can be successfully marketed is not increasing enough, and the proportion of outdated products and technologies continues to be high—in spite of the deteriorating profitability of such products. We do not make adequate use of the possibilities inherent in scientific and technological developments and in the intellectual capacity of our scientists and technical intelligentsia. The level, quality, and structure of our production are changing too slowly and lag behind both international requirements and our own needs, and therefore efficiency is also deteriorating.

Both internal and external factors play a role in this process. The changes taking place in the world market—changes that are unfavorable for us—and discriminatory and protection measures that hinder our exports cause us considerable losses in our terms of trade, contribute to the increase of our debts, and to a slowdown in our economic development.

Like many other countries in the world, our economy is adjusting slowly to the increased requirements; we have been inconsistent in implementing the right decisions we had agreed upon. Therefore, the aforementioned unfavorable foreign economic changes caused us greater damage than might have been the case.

The development of our economic mechanism and our management system was carried out ineffectively and in an ambiguous way, and there were sometimes regressions. The system of instruments was unable to fully convey the economic policy goals. This system did not create adequate incentives and pressures, or predictable conditions for the development of enterprise management. Central management was only able to counterbalance the contradictions in the system of regulations partially, by means of occasional intervention. Our economic policy goals were sometimes not in harmony with our real economic situation and possibilities, or with our long-term economic development interests. Several mistaken decisions were also made.

Some of the enterprises and institutions used their independence in order to acquire unjustified advantages, instead of increasing their real performance. The lack of pressure to perform well, the contradictions in society's order of values, and the weakness of the leadership had a negative impact on improving the performance of the collectives and of individual workers, hindered their professional efforts, damaged the work style, and reduced production discipline.

The government will do its utmost under current conditions, to halt these unfavorable processes within a few years and stabilize our social and economic situation. All this has to be done at the same time as creating the conditions for and foundations of later development and acceleration for the entire economy—by making better use of the possibilities inherent in socialism and strengthening the existing progressive activities of the institutions and economic bodies.

The government has set the following fundamental goals:

a) It will halt the increase in convertible currency debts and will preserve the country's solvency.

In order to achieve this, it is necessary to achieve a considerable positive balance in the convertible currency foreign trade turnover already in 1988. In accordance with this, the government will create harmony between production and domestic consumption of national income and will restore internal financial and budget balance. This will also necessitate a temporary limitation in domestic consumption, which the government will carry out by means of strong differentiation and by regrouping the power resources.

b) Its measures are primarily aimed at forcing the enterprises, institutions, and individuals to increase their performance and to attain a selective increase in production.

The government will create incentives that will considerably increase efficient production and marketing—including convertible currency exports—in all areas and within a short time, eliminate loss-making sources, and reduce redundant manpower. Inefficient production should be changed into competitive and qualitative production, basically from enterprise resources. A situation should emerge in which the resources and manpower released are regrouped in export production sectors or services needed by society. Management will assert and convey the principle of consistent performance at all levels.

The results in the sphere of production and marketing will determine the rate of economic growth needed to attain our balance goals.

c) The government will increase the unity, consistency, determination, and responsibility of government guidance and will strengthen its role in regulating processes. It will modernize the planning system of the people's economy. It will take firm measures to develop incentive and market mechanisms that serve of our social and economic goals, and it will widely assert the effects of these mechanisms.

In order to lay the foundations for future development, the government will implement the stabilization tasks by carrying out a comprehensive development of economic reform. The government will enlarge the means of legal, organizational, financial, and interest coordination, increase the mobility of production factors, ease the limitations of price and wage regulations in the competition sphere, and maintain a steady supply of imports in harmony with export performance. The government will take measures to improve the authority of the central supervision and will see to it that the regulations on competition are observed and that market disturbances are avoided.

d) The government will strive to reduce the inevitable public and social tensions in the period of stabilization by all the means at its disposal.

The implementation of the program and the consistent assertion of the principle of performance will lead to a temporary increase in public and social problems. The government regards it as its fundamental task to ease these problems by means of a comprehensive development of social policy. The government will conduct an economic policy which will reduce inflationary pressure on consumer prices. The government will reduce the possible tensions resulting from the employment policy. The government will pay particular attention to the social security of families with children, old aged people, and of people who are in a disadvantageous situation through no fault of their own; to improve buying conditions and the standard of basic social services; and environmental protection. I [Roman One]

The Main Directions of our Economic Policy [Subhead]

1. Halting the increase in our convertible currency debts is the key issue of our economic stabilization. The foundations for economic stabilization can be laid primarily by the increase in profitable production and, on this basis, an increase in exports. Increasing profitable performance should gradually become the decisive factor in improving our economic balance, and the least profitable production should be curbed step by step. In order to achieve an export surplus, it is necessary to reduce domestic consumption and redirect it toward exports.

In order to develop this process, the government will conduct an economic policy and operate an economic mechanism which will encourage the improvement of performance and efficiency, fuller use of the available capacities, and the reorganization of the structure serving an export-market orientation.

The government does not want to create the domestic resources necessary for improving our foreign trade balance at the expense of the resources that serve production and technological development, that is, the foundation of our future; therefore, the government must release resources in other areas of domestic consumption.

In public consumption, the government will assert strict but rational saving. Taking into consideration the economy's capacity for burden, the government will examine public expenditures and development tasks. The government will rationalize the state administration, the distribution of labor among central, district, and local bodies, the organizational and operational order, and the use of resources.

In the course of the necessary regrouping aimed at improving our international balance of payments, we will have to take into consideration a temporary and differentiated reduction in consumption. At the same time, however, the income of enterprises, work groups, and workers who perform above the norm might even increase.

2. The financial policy should consistently assert the requirements of economic stabilization. The government will create and maintain a domestic financial balance. In order to achieve this, the government will continuously coordinate the state, enterprise, and population savings and credits.

Increasing the savings of enterprises, institutions, and the population's is a fundamental task. This should be encouraged by an appropriate interest policy, the introduction of various bonds, and by increasing the population's interest in having productive investments.

Enterprise incomes are increasingly shifting to the benefit of enterprises that perform profitably. A clear differentiation is caused by the joint effects of planning, management, and the market.

In addition to the increase in savings at the level of the people's economy, active foreign capital and funds that can be redirected from inefficient enterprises will provide financial cover for the increase in enterprise investments.

The credit sphere and the capital market, the spread of associations, as well as the system of export competition will play an increasing role in our development policy. This will contribute to the use of investment resources in marketable and profitable actions.

3. At the same time as improving our foreign economic balance, the government will preserve the balance of domestic supply. In the current phase, this goal can only be implemented by reducing domestic demand and, at the same time, increasing supply, as well as by better coordinating the structure of supply and demand.

We expect rapidly increasing demand for high-technology installations, machines, certain materials, dwellings, and certain services in the market for means of production and consumer goods. It is impossible to provide an uninterrupted supply of these products. Modernization of production, acceleration of ventures, selective importing, an active price and exchange rate policy, as well as a steady market development will jointly contribute to the creation of an adequate supply of goods. The government is striving to increase imports from socialist countries by all the means at its disposal. We cannot set an increase in imports paid for in general convertible currency as a realistic goal in the coming 2-3 years; in sectors that are competitive, however, there will be steady and more flexible imports of materials and resources than hitherto, imports coordinated with the increase in exports.

4. Our economic growth depends on the results we achieve as regards the quality of our production, our ability to compete on foreign markets, and our saving in manpower, material, and means of production. Therefore, in this phase, we cannot expect a considerable economic growth even if we consistently implement our programs.

The people's economic plan, the economic mechanism, and the financial system will redirect the means of production and manpower primarily to export-oriented production and to the technologically superior competitive production that acts as the driving force in technological renewal. The banking sphere will play a greater role in distributing financial resources—through competition.

The development of the processes of structural reorganization require the strengthening of the role played by the state. In connection with the goals of structural modernization, the government will provide priority support for the introduction of new and modern technology and the acceleration of its use. We will modernize the systems of decision-making and responsibility as regards investments, both state and enterprise investments.

As a result of the scarcity investment resources, one of the fundamental tasks is to improve the efficiency of investments and to implement the development projects more quickly by achieving a higher degree of organization and developing incentives. II [Roman Two]

Production, Production Structure, Technological Development, International Division of Labor [Subhead]

1. Our foreign economic balance cannot be permanently restored with the performance growth attainable with the current production structure. Neither will restricting our foreign economic relations solve our problems. Therefore, accelerating the modernization of our economy and by adapting to the economic, scientific, and technological changes are fundamental tasks ahead of us.

Our task is to accelerate the development of internationally competitive production styles, support the development of areas with good prospects and realistic chances of meeting the requirements of our age, and to curb those that are unable to meet these requirements. Increased assertion of international efficiency requirements is necessary also in production areas that are only indirectly related to foreign markets.

2. In order to achieve these goals, the government will do the following for producers and consumers:

—it will develop the elements of the economic mechanism, primarily the regulations governing foreign economic relations, in such a way that these will strongly convey the value judgement of the international market;

—by creating long-term incentives, the government will make it easier for economic units to base their production structure on strategic development and concentrate on closing the gap as well as on technological and economic trends;

—the government will make it possible for economic organizations with internationally recognized performance to create surplus resources for development;

—the government will take measures to increase the opportunities of economic organizations and institutions, as well as researchers and developers to acquire international orientation and information.

3. The government's direct responsibility for structural policy will cover the following:

—the assertion of the requirements of stabilization and development and the decisions determining the main trends and proportions of the people's economic development;

—the implementation of interstate obligations to the socialist countries, obligations accepted in CEMA;

—the planned development of the energy sector, the basic material industry, agriculture, defense-related production, and the production infrastructure (transportation, post and telecommunication, water management, and so on).

—scientific research and technological development which serves the processes of technological and structural renewal, as well as the development of the operational conditions of education and training of experts;

—outlining the state preferences and dislikes concerning the structural changes;

—taking decisions for considerable economic reductions that exceed the sphere of authority and opportunities of the enterprise and district management.

4. Quickly coming closer to the world trends of technological development is in the forefront of production development—particularly in the areas of electronics, computers, biotechnology, and material and energy saving technologies.

In order to attain the main trends and proportions of structural development, the government sets the following tasks in the major areas of production:

a) The main tasks of our industrial policy are to adapt more effectively to world economic requirements and the endowments of our country, develop the processing industry, to place quality production in the forefront, and make the best possible use of the available production capacities. The opportunities for expanding industrial production could come primarily from an increase in the international division of labor.

The industrial development areas of major importance are the following:

—the expansion of production activities that produce goods that can be profitably marketed on convertible currency markets;

—cooperation within CEMA;

—support industries that improve export competitiveness;

—systematic development projects affecting several professional branches (for example, telecommunications, computer science, medical science, the automobile industry, the food industry);

—the rapid development of processing industry activities based on our domestic endowments and which make greater use of domestic results achieved in technological and scientific development.

The government will pay more attention to reducing the material and energy consumption of industrial production. Maintaining the balance between the country's energy resources and its consumption continues to be a major goal in the future too. The consistent implementation of the energy management program, curbing energy-intensive production, reducing specific energy consumption, and reducing the subsidies for energy materials will all help to reduce energy demand.

The government wants to promote a reduction in industrial expenditure and a reduction of material and energy consumption per product unit, of manpower expenses, investment, and general expenditure by means of economic organizational activity.

The current goals, forms of management, and resources of the central and sector economic development programs will change according to structural modification requirements.

As a result of an improvement in productivity, the consistent implementation of the laws on doing away with and rehabilitating enterprises, and of structural changes, the government is also counting on a mid-term manpower regrouping and it will see to it that the manpower thus released will be employed.

b) The development of the food industry continues to be very important from the viewpoint of providing an adequate supply of foodstuffs for the population as well as from the viewpoint of the people's economy export capacity. Under the conditions of a lasting structural oversupply of agricultural mass products on the world market, maintaining the previous role of Hungarian agriculture in producing export surpluses requires a structural change too.

The increase in wheat and meat production will slow down and the production of smaller yield product types which can be profitably exported will increase. The industrial-service activity of large-scale agricultural enterprises as well as the small-scale agricultural production will play an increasing role in enlarging our income.

Modernization of the food industry structure calls for a sharp increase in the production and exports of products and quality goods that fulfill higher quality requirements and which are skill and science-intensive products. In order to achieve this, it is necessary to create incentives that take into consideration the organizational, financial, support industry, processing, marketing, and agricultural production characteristics. Both foreign economic and expenditure considerations make it necessary to improve yields, generally reduce expenditure, and expand fodder-producing capacities that are able to substitute for imports. The future of the food industry cannot be separated from the rapidly increasing use of scientific results, particularly biotechnology.

c) Improving quality and reducing our expenditure are pressing tasks facing the building industry. This can be achieved by strengthening the market conditions and the entrepreneurial spirit, creating a supply market, modernizing the structure of enterprises that cannot adapt to competition requirements, and expanding the activity of small organizations that can carry out maintenence and other housing construction activities. In accordance with the goals for the development of inhabited settlements, it is necessary to improve the conditions of building activity and the level of building-material supply (including the quality, transportation, storage, and marketing of these products, as well as the services related to these products). In order to increasingly protect the interests of people who purchase housing, it is necessary to update contract conditions and, as part of this modernization, it is necessary to introduce mandatory guarantees.

d) The government will devote great attention to the development of the infrastructure also in the period of stabilization.

General economic growth and our foreign economic performance, as well as our ability to compete, will increasingly depend on the professional skill of our country's workers and the level of development of its computer science, transportation, financial and trade, and research and education systems. Improving the conditions of the system of health care instruction, developing it in coordination with the overhaul of the telephone network, accelerating the construction of the highway system, developing water management—including the primary tasks of providing a supply of healthy drinking water—and improving the conditions of goods and passenger transportation on the main railroads and public roads already serve this goal also in the short term.

5. Increasing and developing our intellectual capital and professional skill, and managing our manpower more efficiently represent the major basis and condition for implementing our developmental, technological and scientific, and structural reorganization goals.

In order to make the activity of professionals with a given professional skill and cultural level more efficient in connection with the structural changes, it is necessary to develop further the organization and content of the system of training and retraining through cooperation with state institutions and economic bodies. In addition to the action taken by economic organizations, the government wants to strengthen the incentives for retraining by improving the conditions of these incentives.

The government will pay great attention to developing the intellectual and cultural background of the economic acceleration. The present and future requirement for development will increase the importance of the working people's general and professional education.

In the short term, the government will lay the foundations for the necessary increase in the financial and moral appreciation accorded to professional skill and knowledge and their increased prestige by using economic means, by gradually improving the wage and incentive conditions and, from a social point of view, by developing cultural conditions and influencing public thinking.

In accordance with our economic and social interests, and on the basis of the education law we adopted, we will continue to modernize and further develop the human, material, technical, and managing conditions of our elementary, secondary, and higher education even under our present difficult economic conditions; and we will firmly demand the steady renewal of the content of education on all levels, a renewal that is adjusted to the requirements of the times.

Among the factors of stabilization and of subsequent development, the government attributes great importance to the quality of the leadership and managing activity. The government wants to operate a more efficient system of training and retraining leaders so that they acquire up-to-date information, and it will also further develop the system of training and retraining economic unit leaders and people working in government management. The government will consistently and firmly assert the increasing requirements for leadership at the enterprise level and at all management levels, and it will thus facilitate the personnel conditions of the development program. The government will establish a strict system of evaluating the leaders' guiding activity, together with financial and moral appreciation that is proportional to the leader's responsibility.

6. The government will ensure conditions for high-level basic and applied domestic research projects. The government will closely link the technological development activity with the economic and production development goals. Therefore, the government will re-examine the national research and development programs. Profitable research and development programs that support the government's structural reorganization goals, that lastingly improve the export capacity, and programs that are financed jointly with the enterprises will receive priority.

In order to improve the conditions of research and technical development, a modern information network of scientific and technological results will be established in the coming years, result-oriented instrument centers will also be established, more innovation parks will emerge, and the instrument stock of measuring and quality-testing organizations will also develop.

A broader use of tax and customs benefits, credit policy benefits, and the expansion of the activity of the banks for innovation will assist the implementation of an enterprise's research and technical development, and of the related investments. Financial and moral appreciation of researchers and developers and the introduction

of incentive and organizational forms linked with the application of the results will promote the achievement and use of new results in production.

Deepening our participation in international scientific, technological, and production cooperation is an indispensable source of our development. We will make this more efficient, partly by using new forms of cooperation and promoting direct contacts between domestic and foreign research institutes, faculties, and between technological development and production enterprises, and partly by increasing the purchase and application of foreign licenses and know-how.

The government attributes fundamental importance to developing cooperation with the framework of the CEMA countries comprehensive program for scientific and technological progress and to applying the new results in production. In the framework of intergovernmental agreements, cooperation issues that serve the goals of national research and development, and the central economic development programs will receive priority.

7. The government is aware that, in the short term, the weaknesses in economic development are concentrated in foreign economic relations; the government believes, however, that a better use of the possibilities inherent in the international division of labor also constitutes a considerable supplementary source for the Hungarian economy.

The government wants to continue to conduct a foreign economic policy that enables a broad development of mutually advantageous economic, trade, and technological and scientific relations with every country and international organization that is willing to cooperate with Hungary. The government will take a stand against the disadvantageous discrimination and protectionist efforts currently in force in world trade.

Our conscious connection with the long-term development strategy of the international socialist division of labor is one of the major building blocks of our economic development. The changing conditions and new driving forces of the cooperation between socialist countries create mutually stricter requirements than previously.

Our multifaceted economic cooperation with the socialist countries, primarily with the Soviet Union, is indispensable for us. This is primarily strengthened by the qualitative features and new forms of cooperation, better use of these forms of cooperation and specialization, and a strong increase in imports coordinated with exports. In this spirit, we are taking an active part in renewing the integration of CEMA, and establishing price and commodity relations, and the conditions for forms of flexible enterprise cooperation.

The modernization of our foreign economic organization, the creation of forms of trade that adapt better to special characteristics, the strengthening of users' import incentives, having the enterprises' ideas for exports compete with each other, and the establishment of direct enterprise contacts and joint enterprises all contribute to the development of the socialist economic cooperation.

In our cooperation with the developed capitalist countries and the developing countries, the government encourages long-term production cooperation projects, the introduction of new products, the discovery of additional marketing possibilities, and entrepreneurial foreign trade activity.

The government will improve the efficiency of economic diplomacy with partner countries and with international and regional organizations. It will take firm trade policy measures to improve marketing conditions for our products and reduce discriminatory attitudes and customs barriers. By means of exchange rate, credit, tax, and investment policies, the government will more firmly encourage the economy's convertible currency export performance. The government will satisfy the import demands of export-oriented production and services primarily proportional to convertible currency income.

A major task facing the government is to further develop our foreign economic organization and coordinate its operations.

The expansion and qualitative development of export services and tourism capacities—primarily therapeutic tourism—also represent a considerable source of surplus convertible currency. III [Roman Three]

Economic Management, Planning, Market Building [Subhead]

The government will continue to develop the system in which the economy operates, relying on the experience gained so far and bearing the requirements of economic development in mind.

1. Government responsibility mainly consists of formulating economic and social policies, the major proportions of the people's economy and the goals of structural policy, asserting the principle of socialist distribution, creating the necessary resources for achieving this, and regulating and controlling the market. Attaining the economic goals and avoiding disturbances in the economic balance occasionally justify direct interference.

The government will modernize its job of providing guidance and the organization of it and will coordinate it with the requirements of society and economic policy, as well as with the requirements of the economic mechanism. The government will provide uniform and coordinated guidance that can be supervised by the National Assembly. The government wishes to promote the improvement of legislative activity. In its work, the

government will be more open and firm and it wants increasingly to rely on cooperation with public bodies and bodies that represent the various interests. The government supports an increase in the self-management of citizens and economic organizations, in harmony with the interests of society as a whole.

The Council of Ministers is carrying out continuous decision-making, guidance, organizational, and supervisory work aimed at implementing its tasks. The government will continue to develop the division of labor, responsibility, and sphere of authority of government organs, branch and functional ministries, and bodies of national authority in a way that will enable these bodies to carry out more independent and responsible guidance in their own area of activity. There is need for organizations with smaller and better trained staff who work more efficiently. Examining the spheres of activity, we will gradually carry out the necessary organizational and institutional changes.

On the basis of a separate program, the government will deal with the modernization of the activity of not directly producing areas and with simplifying the administrative regulations that influence the mood of the population. This will also help to reduce the staff and operational expenses of budget and administrative bodies.

2. Determining the various decisions facing society, establishing and coordinating priorities, and creating a system of means that will better contribute to the implementation of the programs that have been decided require the further development of the planning activity of the people's economy.

The importance of medium-term and long-term planning activities that determine strategic goals and social programs will increase. The role played by annual planning will also increase, and, by coordinating the changing economic conditions, goals, tasks, and means, this planning activity will contribute to the implementation of strategic goals and the government program.

The development of planning is mainly an attempt to create more established and coordinated economic, income, and financial processes; to discover forecasts, foreign economic possibilities and effects, and the expected attitude of enterprises and consumers; to supervise market activity, and to connect the people's economic planning activity with enterprise planning more organically. Planning should be prepared to adapt flexibly to changing conditions that cannot always be predicted.

3. The government will extend and develop the regulated market mechanisms. In order to achieve this, it will increase and actively apply financial instruments. It will eliminate detailed and over-particular regulations and limitations. The tax, price, and wage reforms and the development of forms of ownership will increase economic clearsightedness and will strengthen the economy's profit-oriented role. The government will create stronger conditions of encouragement and incentives for enterprises, institutions, and individuals and will see to it that the changes in foreign market conditions are directly and fully asserted in all areas of economic life.

The government will simplify the financial relations between enterprises, institutions, ventures, and the public on the one hand and the budget on the other and will place these relations on lasting foundations.

The government is initiating the introduction of a new and uniform general turnover tax and simultaneously eliminating the enterprise property tax, accumulation tax, and wage tax, and will reduce the withdrawal of financial assets that have a negative impact on profits; at the same time, the government will reduce the various existing enterprise subsidies. The separate enterprise funds will cease.

A considerable proportion of budget income will come from the turnover tax. This new situation will create two-tier prices and will force producer and consumer prices to go hand in hand. In this way, the enterprises will have greater credit sensitivity and more interest in improving trade performance.

The government proposes to introduce of a uniform income tax. This will guarantee that citizens contribute to public expenses in accordance with their real income and everyone will clearly know the extent of the burden he bears on behalf of the community. Some social policy benefits will also facilitate a fair apportionment of taxation. In the course of shifting to the new tax system, incomes from main working hours will not decrease.

Taxation of small-scale and private ventures—based on equal sharing of burdens—will develop in harmony with the generally valid requirements. The government will strengthen tax discipline and the control of invisible incomes with all the legal means at its disposal.

5. The stock of financial instruments will increase and their effect as well as the harmony between these instruments will strengthen.

The money supply for the economy and the development of income processes should be directed by more differentiated means and methods, and the role played by self-regulating financial mechanisms should be increased.

The budget's role of redistribution in the economic sphere will decrease, and long-term savings and sources other than the central bank will gradually be used to cover the lasting and temporary deficit. It is the task of the central bank to regulate—with greater independence—the amount of money in circulation; a task it fulfills, in the spirit of maintaining a steady financial

balance, by means of the reserve ratio, rediscounting, supplying commercial banks with money, credit policy, and exchange-rate policy. The activity of the commercial banks will increase, and the separate regulation of account and credit operations enterprises and the public will cease.

Comprehensive measures will be taken to encourage the savings of various income owners and accelerate the regrouping of means and resources that serve the goals of a selective development policy. The interest policy and expanding the use of means of lasting investments will increase the enterprises' and citizens' savings. With the help of the banks, these savings can be used for marketable production development projects.

6. Perfecting market mechanisms and competition and creating conditions for a freer flow of capital are among the major means of implementing the work program.

Creating and then maintaining balanced market relations are fundamental conditions for efficient economic activity. Pricing mechanisms, the regulation of product turnover, the elimination of special expenses in production and marketing, strengthening contractual discipline, and fairness of competition rules should all help in this regard. The government will widely free producer prices and, by eliminating the special expenses in product turnover, exports and imports, and in domestic and foreign trade, the government will make venture conditions apply generally. The joint effect of prices and the exchange rate determine the harmony between foreign and domestic market interests as well as the balance levels. Efficient market supervision, influencing turnover processes by means of commercial methods, and organizing socialist economic cooperation, are state tasks and are an organic part of the task of creating balanced market relations for products.

Market development should be carried out in all areas of economic activity in a simultaneously coordinated way, but gradually and according to plan.

a) When introducing tax and price reforms, it is impossible to avoid the use of a strict financial policy, a reduction in the budget deficit, and a consistent application of the law on liquidation.

Rehabilitation carried out by the state can only occur in particularly justified cases. With large-scale price and income movements, this is the only way to avoid strengthening inflationary trends.

b) Setting prices completely free can apply to a relatively wide range of products—in the case of all producers of goods which are not in a monopolistic situation on the domestic market. In 1988, increased state control on prices and wages temporarily become necessary.

c) We should conduct an exchange-rate policy that reflects the real competitiveness of the economy and encourages competitive exports and a rational substitution of home products for imports. This could improve the balanced import management, particularly in the competitive spheres of the economy.

d) The independent assertion of ownership interests, the increase in forms of ownership and cooperation between them, and the creation of property-oriented institutions and forms of organization are all conditions for a wider flow of economic resources. The further development of regulations governing associations, modification of the enterprise law, increase in the venture opportunities of the private persons, integration of commercial and production ventures, and encouragement to introduce foreign active capital will also help to achieve this.

e) The government is confident that, in accordance with their responsibility and sphere of authority, the enterprise councils and the heads of enterprises and institutions will use the new tax system and other economic resources to implement the economic policy goals formulated in the work program: to increase efficient and marketable production as well as real performance. IV [Roman Four]

The Standard of Living of the Population, Public and Social Care, Area Development [Subhead]

1. In the coming years, the foreign economic balance and the requirements of production modernization should receive priority in the distribution of national income. Therefore, considerable extra performance is needed in order to maintain the level of consumption of the community and of the population. Until this extra performance is created, we have to count on a temporary decrease in the consumption and real incomes of the population.

The government's goal is to make sure that the workers' wages become better adjusted to their real performance. This is an economic driving force, it encourages the increase in performance, and at the same time serves the assertion of social justice.

In order to strengthen distribution according to work, and in harmony with the economic conditions, the government will gradually modify the wage regulations in such a way as to encourage economical manpower management and create possibilities for working collectives and employees to develop incentives and forms of remuneration in harmony with our endowments.

The government will enable and guarantee the development and adequate recognition of individual and group entrepreneurial activities. The government will create and further develop forms of venture, capital, and income incentives that will increasingly encourage greater savings by the population and their use for production purposes.

Due to the present balance situation, it is impossible to avoid an increase in consumer prices. Following the major price changes connected with the regrouping and tax reform planned for 1988, the increase in prices might slow down—depending on an improvement in the economic performance. The government will limit the increase in the prices of basic consumer goods and services to an extent that is absolutely justified, and supply and demand will determine the prices of other goods. Consumer price subsidies that are unjustified from an economic and social policy point of view will be eliminated in harmony with income policy measures. The government wants to continue such subsidies only in some basic services connected with major health and cultural policy goals, and assistance in raising children.

The government firmly endeavors to see to it that the supply of consumer goods continues to be of adequate standard, quality, and variety. The government will take measures aimed at a differentiated further development of the commercial and service network, and at more efficient state control over the balance and operation of the consumer market.

2. The professional skill and experience of the country's population enable the accelerated modernization of the economy's structure. The implementation of these structural changes, however, requires more changes in workplaces within the enterprises, in the various sectors and branches of the economy, and among these branches within the people's economy as a whole. The task facing economic management is to create a system of conditions that ensures adequate mobility.

We must also take into consideration the emergence of temporary employment tensions in some places. Therefore, the government will work out a system that provides assistance in finding a new job to every active member of society who wants to work. In the period of change the government will guarantee social security and the assertion of relevant rights and opportunities.

With lesser tensions, the changes in the economic structure will enable the employment of youths with more up-to-date professional qualifications. The government will create an employment policy fund, increase retraining and employment assistance, encourage diversified and flexible forms of employment, and occasionally initiate and support efficient and job-creating investments. The government counts on the fact that the local councils—through more active employment policy activity—will make greater use of the existing organizational and financial possibilities (coordination of investments and manpower management, labor exchange activity, public utility work, and so on).

3. Economic stabilization and laying the foundations for subsequent development require more balanced social conditions.

The government will renew its social policy. Advancing toward a division of responsibility in accordance with our economic and social conditions, in addition to implementing the state tasks, the government counts on the acceptance of responsibilities by families and individuals. By regrouping assets, the government will improve social conditions in areas where this is most justified. Taking into consideration the effect of consumer price increases on various strata of the population, the central and local resources should be concentrated primarily on improving supplies to families with many children, the elderly, and to people in a disadvantageous situation.

As regards social security, the government's goal is to see to it that the benefits and allowances that supplement the normative supply are adjusted more adequately to the families' social situation and changes. Minimum supplies and regular social security allowances will increase continuously.

Coordinating this with the employment policy, in 1988 the government will submit a draft law on modifying the pension system. The planned changes are aimed at promoting an improvement in the situation of old people with a low pension, the gradual preservation of the real value of pensions, and creation of the necessary sources in a way that takes into consideration the economic situation of the given period, the burdens of people of working age, and the employment conditions. Supplementary individual pension insurance will play a greater role. Care for old people will also develop by the expanded network of state and public institutions that provide nursing and care for the elderly.

In harmony with its family and demographic policy goals, in the coming years the government will gradually create a system of preserving the purchasing power of family allowances, and will expand the provision of family allowances and child-care assistance and allowances. The government will eliminate the unjustified differences between the system of refunding child institution fees and the system of child-care assistance. Families in need will receive increased central and local support.

There is a need for a more rational division of labor between the central and local bodies in the organization of our social policy. Along with the modernization of the centrally regulated social policy systems, the government will increase the sphere of authority and resources of the councils in matters of social policy. The government will increasingly count on voluntary social care initiatives by members of the public, the public at large, the church, and other institutions. It is necessary to strengthen the family orientation of social work and take individiual needs and real care needs more into consideration; the national network of family assistance centers will develop gradually.

A large-scale health care program, which relies on both state and public institutions, as well as the citizens' own responsibility, will help to improve the populations' state of health. The government regards reducing and avoiding the harmful effects of civilization—which play a role in various illnesses and deaths—and creating conditions for a healthy way of life to be fundamental requirements in its work for economic development and economic regulation. Sports, too, help to encourage a healthy way of life and enhance the physical training of our youth.

In the area of health care, the government will gradually create an organizational, operational, interest, and financial system that will enable more efficient use to be made of the human, material, and financial resources of the state health service. Development will concentrate mainly on the creation of modern technical conditions. The government also expects that there will be more opportunities for providing care at home.

Preserving the workers' health and physical integrity, fully observing work safety requirements, and creating safe and healthy working conditions in harmony with technological and economic conditions, continue to be essential tasks in the coming period.

4. By further developing the system of construction and management of housing as well as the housing market system, the government will help to improve housing conditions. With housing construction and renewal projects, also taking improvements in quality into consideration, the housing conditions of approximately 550-600 thousands families will improve in the coming 3 years. It is justified to improve the housing conditions of young couples and families with children first.

The construction of state housing developments will continue on a smaller scale than previously and the allocation of state housing will increasingly reflect social considerations. By increasing compensation paid for surrendered state apartments, the number of such apartments that can be reallocated will also increase. In the framework of modernizing the management of the councils' housing, the organizational and financial conditions for exchanging apartments will become more favorable. The councils will increase local support for the construction and purchase of privately owned houses and thus more families will be able to receive such assistance.

In the construction of privately-owned houses, the government will counterbalance the effect of the elimination of subsidies contained in the price of building material by increasing the social policy benefits in a differentiated way and depending on the number of dependents. The top limits for easy-term housing construction and loans for housing purchase will increase, interest benefits will become more differentiated, and savings for housing purposes will receive tax benefits. The credit policy resources and benefits will improve primarily the housing conditions of young couples and families with many children.

The housing construction and marketing ventures operating in various forms of business associations will receive government support. The government will take a stand against irregularities and speculative phenomena also by increasing state control.

5. The government's current economic policy tasks and social policy goals require an increase in the general level of civilized behavior of society, particularly as regards attitude to work and behavior. One of our tasks is to improve the financial conditions for the activity of cultural institutions. In addition to the planned comprehensive modernization of the educational system, we should make better use of our telecommunication resources, of the radio, television press, and of the possibilities inherent in the fast developing film and video activities, as well as the traditional forms of public education, forms that will be steadily renewed (libraries, museums, cultural centers and clubs, cultural movements, and so on). The government continues to regard it to be its task to effectively support the artistic creative activity that is creating cultural values, is committed to socialism, and serves human goals. At the same time, on the basis of our laws, the government will take a stand against activities that violate our socialist morals and values.

6. The government is aware of its increased responsibility in protecting the environment and in avoiding and reducing environmental damage. The government will take measures to avoid environmental damage directly threatening the population, adequately treating dangerous wastes, reducing air pollution, and protecting supplies of drinking water. The government will see to it that environmental and environmental protection considerations are asserted in new development projects. Strict sanctions will be applied to environment polluters.

The faster, differentiation-oriented development of regions that are economically more efficient than the average, the reduction of differences deriving from different conditions, and the need for government assistance to develop backward areas all simultaneously shape the government's regional development policy. In the renewed system of council management, the government will lay the foundations for development possibilities by means of regulations that adjust these possibilities to economic performance, and the government will provide support primarily to modernizing the given areas and economic structures and overcoming employment difficulties. The government will pay particular attention to strengthening the communities' capacity to maintain their population. It is the councils' task to develop more democratic forms cooperation and participation in regional development decisions, forms that are also more efficient economically and socially, to provide firm representation of regional interests, and to represent these interests in the shaping of national policy.

The coming years will put our society to a hard test. The government is firmly determined to solve its tasks in the creation of the foundations of social and economic development by using all the means at its disposal.

The goals, main trends, and tasks—concerning dimensions and the necessary measures and priorities for action—formulated in the government work program will emerge in the annual people's economic plans.

For some outstanding central tasks, like central programs that promote the reorganization of the production structure and reduce expenditures; renewing the social policy and pension system; modernizing education; modifying housing management; state guidance; rationalizing public administration; and developing forms of ownership, the government will develop a separate program of action with the collaboration of the competent public bodies.

The long-term tasks of the development plan, those after 1990, will be included in the Eighth 5-Year Plan which the government will begin to prepare in 1988.

Implementation of the government's work program is primarily the task of the Council of Ministers, but it also needs the active support of all participants in public life, guiding bodies, enterprises, institutions, and individuals. The work program that is being implemented by means of joint activities demands consistency and resoluteness in all areas of public life.

It is necessary to essentially renew public thinking and concepts, strengthen social democracy, and develop a political atmosphere that contributes to the implementation of the program's goals. The creation of unity of action between the government and the population, and between the economic organizations and the economic management is an indispensable condition.

The government is convinced that it is possible to implement its work program because, in carrying out this program, it can rely on national collaboration, the results of socialist construction, and the lessons drawn from mistakes. The government can count on society's sacrifices for the future, the activity of the working people, on willingness to act, and on readiness for initiatives.

Further Reportage on Bush's Visit

Arrives in Krakow

LD291205 Warsaw PAP in English 1140 GMT 29 Sep 87

[Text] Warsaw, [Dateline as received]—U.S. Vice-President George Bush arrived in Krakow this morning. He was welcomed at the Balice Airport by Vice-President of the Council of State Kazimierz Barcikowski and Krakow's city authorities.

George Bush and his entourage went to nearby Oswiecim to see the site of former Nazi death camp Auschwitz-Birkenau, the place of martyr death of four million people of 28 nationalities coming from 26 states, among them also U.S. citizens.

Visits Former Nazi Camp

LD291448 Warsaw PAP in English 1424 GMT 29 Sep 87

[Text] Warsaw, Sept. 29—U.S. Vice President George Bush and his entourage visited the former Nazi death camp Auschwitz-Birkenau (Oswiecim-Brzezinka) where they saw a documentary film on the camp's liberation by soldiers of the 60th army of the Ukrainian front.

Bush also went to blocks number 4 and 5 which evidence the annihilation of the camp's inmates and the enormity of Nazi genocide.

The vice president laid flowers at the death wall, where the Nazis executed over 20 thousand inmates. The ribbon on the flowers had an inscription reading: Their Sacrifice Will Never Be Forgotten—The American People. The guests also visited block number 27 which houses a permanent exhibition devoted to the history of Jewish Martyrdom.

Gives News Conference

LD291350 Warsaw Domestic Service in Polish 1105 GMT 29 Sep 87

[Report on news conference by Vice President George Bush on 29 September; place not given]

[Text] We now broadcast a report on U.S. Vice President George Bush's news conference this morning. Marek Kassa prepared the report. At the beginning of the conference George Bush said:

[Begin Bush recording, in English with superimposed Polish translation] We have been here for 3 days. First, I would like to thank my official hosts, Kazimierz Barcikowski, the deputy chairman of the Council of State, and Mr Davis, our future ambassador and the present charge d'affaires.

We have enjoyed our stay in Poland very much, and we are impressed by what we have seen here, impressed by the character and strength of the Polish nation and of the Polish people I met. This is the first high-level American visit in a long time. It forms a successive stage in the process of normalizing relations between Poland and the United States. Our support for the Polish people has been expressed. My goal was to learn first hand how the situation in Poland looks. I met with Polish leader Wojciech Jaruzelski, and with Lech Walesa and Cardinal Glemp. My official meetings were factual and creative, and my Polish hosts gave explicit and clear opinions. I expressed the principles of U.S. policy to Poland. Naturally, we did not agree on certain things, but we found joint points of view, including the need to place our interstate relations on a constructive footing. I have signed a new understanding on cooperation in science and technology. This symbolizes the possibility for practical cooperation between the two countries, and could bring new possibilities for mutually advantageous cooperation, for example in environmental protection.

I spoke to the leaders of the Polish church and addressed the Polish nation. As a result, I am going to be able to tell President Reagan on Monday that a basis for permanent, creative, mutually advantageous relations between Poland and the United States exists. [end recording]

Vice President George Bush then answered questions. The first was: Are you convinced of the sincerity of the Polish leader on carrying through economic and political reforms?

[Begin Bush recording, in English with superimposed Polish translation] Yes, I ascertained that there is an openness, a willingness to discuss economic and political reforms, and some changes have already been introduced. We discussed these matters with the Consultative Council; we discussed details of joint undertakings between Polish and U.S. firms. I also spoke about possible future changes. Poland has emerged from a very difficult time, and now things are moving forward and we want to offer Poland a little help in emerging from its indebtedness. I have in mind here meetings within the framework of the Paris Club, but it is observed that both sides want better relations, and everyone I spoke to agrees that considerable steps have already been undertaken, and progress can be seen. [end recording]

There are differences between us, he told the next questioner, and time will tell as to how these matters will develop. He said: I explained to Wojciech Jaruzelski that we did not intend to dictate anything to Poland. But if certain things happen then we can do more.

Next he was asked about concrete talks on economic cooperation. Were matters of credit, cooperation with the IMF and the World Bank raised?

[Begin Bush recording, in English with superimposed Polish translation] Yes [word indistinct] that has happened. But it must naturally be based on a realistic financial basis and these talks on the economy have a great deal in common with this. I had the chance to explain to my friends in Poland that in the United States we have serious problems, a serious budget deficit, and one cannot just simply write enormous checks for international financial organizations. They must understand that for the United States, support for this project must include the financial possibility of its execution. I want to help Poland, but there must also be cooperation from the Polish side, evident cooperation. [end recording]

Answering other questions, George Bush said he viewed positively the freedom that the church in Poland enjoys, and gave assurances that if he were to become U.S. President he would try to improve relations with the Soviet Union and eliminate biological weapons.

29 Sep Activities Reported

LD300919 Warsaw PAP in English 0126 GMT 30 Sep 87

[Text] WARSAW, Sept. 29 [date as received]—The four-day visit of U.S. Vice President George Bush to Poland drew to an end today.

In the morning Vice President Bush took part in a press conference held in Warsaw for Polish and American journalists. From Warsaw George Bush left by plane for Krakow and next to the site of the former Nazi death camp in Auschwitz-Birkenau.

Four million people of 28 nationalities died there at the hands of the Nazis. American citizens were among them. One of the few survivors includes former "Number 7713" of KL [Konzentration Lager] Auschwitz-Birkenau, last year's Nobel Peace Prize winner Elie Wiesel who settled in the U.S. after the war.

In the courtyard of Block 11, at the foot of the death wall soaked with the blood of over 20 thousand inmates shot there, George Bush laid flowers with a ribbon reading "Their sacrifice will never be forgotten by the American people." The vice president's wife, Barbara laid flowers in the fell of Block 11 in which Father Maksymilian Kolbe died, among others. Flowers were also laid in Block 27 housing a permanent exhibition devoted to the martyrdom of Jews.

Bush laid a wreath inscribed "Never again—the American people" at the foot of the international monument to the victims of nazism in Birkenau. "Let the children of the future be spared the agony of this terrible past," reads the vice president's entry in the museum's visitors' book.

At the end of his visit Bush was presented with a memorial Auschwitz Medal by Kazimierz Smolen, a former inmate of KL Auschwitz and the director of the museum.

Sharing his impressions from the visit to Auschwitz-Birkenau the vice president of the U.S. stated that he was deeply shocked by what he saw and that he could not find the words to express his emotion. Efforts should be made to preserve world peace, he stated.

Back in Krakow George Bush took part in a ceremony of endowing the American consulate with the rank of general consulate. The vice president also visited the display of Polish national culture at Wawel Castle. The guest entered words of respect and admiration for the beauty of this historical monument into the visitors' book and next laid flowers on the sarcophagus of Tadeusz Kosciewszko situated in the crypt of the Wawel Cathedral.

Following that, George Bush visited the Paediatrics Institute of the Nicolaus Copernicus Medical Academy in Krakow where he opened the rehabilitation-treatment centre built thanks to the assistance of the American "Project Hope" organization. The vice president visited some of the wards of the centre and acquainted himself with the design of the Clement Zablocki children's out-patients' ward being constructed thanks to the assistance of the "Project Hope" foundation. Bush met with the staff of the centre.

A plaque commemorating Polish-American cooperation in the construction of this institute was unveiled during the visit. The vice president presented the centre with a modern ultrasonograph and diagnostic apparatus for cell analysis.

In the evening Vice President George Bush was bidden farewell by Vice President of the Council of State Kazimierz Barcikowski in a farewell ceremony held at Balice Airport near Krakow. At 19.45 hrs George Bush left by airplane for Bonn.

Departs 29 Sep

LD300050 Warsaw PAP in English 2023 GMT29 Sep 87

[Text] Warsaw, Sept. 29—U.S. Vice-President George Bush ended his official four-day visit to Poland.

During an official farewell ceremony held at Balice Airport (on the outskirts of Krakow), in the name of the Polish authorities the U.S. Vice-President was bidden farewell by Deputy-President of the Council of State Kazimierz Barcikowski.

Urban Comments on Visit

LD292003 Warsaw Domestic Service in Polish 1800 GMT 29 Sep 87

[Marke Kassa report on a press conference held by government spokesman Jerzy Urban in Warsaw on 29 September, Urban's remarks recorded]

[Text] [Kassa] Jerzy Urban began the conference with a statement on the visit to Poland by U.S. Vice President George Bush.

[Urban] The visit of U.S. Vice President George Bush to Poland is still in progress, so the political and state authorities have therefore not yet carried out an evaluation. I cannot precede such evaluation by my personal thoughts—apart from which the Western press, most of all the U.S. press, states that George Bush in fact started his presidential campaign in Poland. The electoral campaigns in the United States have their peculiarities, driving forces and rules. I do not know them, therefore it is difficult for me to separate what—from the stay of Vice President Bush in Poland—belongs to the political sense of the visit as a highly-placed U.S. Government representative to a foreign country, and what one must consider as inter-American actions [as heard], even though they were taken abroad.

Concentrating attention on the contents of the official state visit, I can already say on behalf of the Polish authorities, that we share the desire expressed by Mr Vice President to further improve relations between our countries. We share the conviction of the U.S. vice president that such relations have their foundation in the historical Polish-U.S. bonds which were mentioned so many times by Mr Bush. We reciprocate the wish to create strong foundations for the good relations between our governments, a wish expressed in the welcoming speech the vice president made at the airport.

The talks held by the U.S. vice president and Wojciech Jaruzelski and other highest representatives of the Polish State are regarded by us as having been frank and constructive in their intentions. We are grateful for the warm words addressed to the Polish nation, including the statements that Poland should be strong, prosperous and independent, and should play its proper role. We consider it noteworthy that the vice president stressed that the United States did not want to intervene in Polish internal affairs, and that it is not the task, for instance, of the U.S. vice president to point out to the Poles the way they should take. We note with interest the readiness of the United States to cooperate with the Polish State. We are also ready for this based on rational foundations of coexistence and mutual benefit.

We receive with understanding the explanation of the vice president—made in this room—that the United States has payments problems of its own and thus could not help anybody. We are not asking for help; we are only asking for normal treatment for Poland with regard to bilateral and international economic cooperation. We consider Mr Bush's assurance that the United States will not make more difficulties for us in our talks at the Paris Club to be the first step along this constructive route. Polish society is not expecting U.S. manna from heaven; we are realists and we know the dramatic economic situation of many politically and geographically closer allies of the United States who are applying U.S. political solutions of, for instance, Western pluralism, and who have similar economic systems to the United States. Therefore we cannot expect U.S. assistance for a country such as Poland, which is moving, and will continue to move, along a different political system path and which is a member of the Warsaw Pact. We want, however, to look for what unites us rather than divides us, and we expect a departure from discrimination, which did a lot of damage to the Poles. Polish society expects from the U.S. authorities above all that the United States will stop harming us in the economic sphere. We noted with attention the thoughts the vice president uttered here this morning; he noticed the honest intentions of the Polish authorities in their striving to extricate the country from the crisis. We think our economic reforms and political transformations justify, and will continue to justify, taking note not just our of intentions, but also of our achievements.

The Polish authorities consider that the signing of the scientific and technological agreement and the decision to exchange ambassadors as important manifestations of the favorable evolution of mutual relations. The Polish authorities outlined to their guest, the U.S. vice president, the principled stand of our Polish affairs and mapped out the plans for our sovereign development. They frankly assessed the state of mutual relations and expressed the readiness to develop cooperation between Poland and the United States. The Polish assessment comes from the Polish experience and reality, just as the will to go consistently along the road of renewal, accord, and reforms results from the Polish experience and reality which unites the Polish society and the Polish authorities, designed and thought through in a Polish way and in Poland.

[Kassa] Jerzy Urban then replied to questions. The representative of the *Kurier Polski* was interested in the assessment of the initiative of reactivating the Association of Polish Journalists, dissolved during Martial Law. Here is an excerpt of Urban's reply:

[Urban] The development of social life in Poland and socialist pluralism will not follow the path of resurrecting the structures of 1980 and 1981, which long ago died a political death, and particularly those which conducted confrontational policies and created a dramatic situation for the country and the nation, thus creating the need to introduce Martial Law. There will be no treatment of diseases through a repetition of contamination of the country with diseases which have already been cured or partially cured.

[Kassa] Replying to other questions, the spokesman said, among other things, that tomorrow we can expect the publication of important documents concerning the economic reform. He gave assurances that the government is counting on solving the conflict with construction trade unionists through mediation, and is hoping that this will lead to talks.

Asked whether there are already candidacies to the posts of ambassador in Poland and in the United States, the spokesman said:

[Urban] Poland is to give its agreement to Mr John Davis, who until now has been the U.S. charge d'affaires in Warsaw, and the U.S. authorities have given their agreement to Jan Kinast, deputy minister of foreign affairs of the Polish PR.

[Kassa] Next, Jerzy Urban spoke of the developing economic cooperation with the Soviet Union and explained the meaning of socialist pluralism.

(In response to a question by French journalist Bernard Margueritte) as to whether it is realistic to maintain that a person who meets with Western politicians and is seen in the company of the U.S. vice president is an ordinary citizen, Urban replied:

[Urban] It often happens in the world that the governments of certain countries are connected and are friendly, in a strictly political way, with various persons on the territory of other countries, who are their allies, but in their own countries they do not play a significant role, [word indistinct] their role is based precisely on the closeness of relations with foreign powers.

[Kassa] Next, a question was posed concerning what the spokesman thought about George Bush's pronouncement that Walesa continues to be an important figure in the country's political life and whether he saw a public role for this person.

[Urban] I see a public role in the United States, since this is a person who, as can be seen, is valued by important U.S. authorities. I'll add that as far as I can remember, Mr Walesa once said that he was an American. Therefore, maybe there occures here some convergence of intentions and ambitions.

[Kassa] Jackson Diehl of *The Washington Post* said he had observed organized groups, carrying placards with peace slogans, waiting around near Vice President Bush. Were these groups organized by the goverment, he asked? The spokesman, after stating that the questioner was suggesting that those who support certain ideals do so spontaneously, and others do not, said:

[Urban] Pluralism in Poland depends upon this, that opinions are in fact varied and are manifested in a varied manner. In making this methodological and general observation I do not want to deny that certain government persons followed Vice President Bush. Apart from this, two types of government persons followed and continue to follow him: U.S. Government people and Polish Government people.

Urban on U.S. 'Meddling'

AU291518 Paris AFP in English 1516GMT29 Sep 87

[Text] Warsaw, Sept 29 (AFP)—Hours before the end of U.S. Vice President George Bush's visit to Poland, the Polish government spokesman Jerzy Urban on Tuesday expressed optimism about future U.S.-Polish relations, but stressed that Solidarity would not be made legal again.

In answer to a question about an independent journalists association which, like Solidarity, was banned in 1981, Mr Urban told a news conference that the group had "died a natural death after having been dangerous" to Poland.

He added: "The same goes for Solidarity."

Solidarity leader Lech Walesa had said after a second meeting with Mr Bush on Monday that the trade union's militants would resurface to reorganize units in all workplaces and act in the open.

Mr Urban, while thanking Mr Bush for the "warm" words he had expressed about the Polish people throughout his four-day visit, called on the United States to refrain from meddling in Poland's internal affairs.

The authorities here had noted "with satisfaction" Mr Bush's statement to that effect when he arrived on Saturday, Mr Urban said, adding: "It is important that the United Sates does not interfere in our internal affairs."

Mr Urban said talks between Mr Bush and Polish leader Wojciech Jaruzelski had been "sincere and constructive," and voiced hope that bilateral cooperation would now develop normally.

"We must seek that which unites us, not what divides us," Mr Urban said.

He also called "groundless" the United States' insistence on linking economic aid to an enhancement in civil liberties in Poland, mainly for independent trade unions.

During the period in which Solidarity was legal, he said, U.S. economic aid to Poland diminished.

Mr Bush had earlier promised that the United States would step up its aid to Poland if the communist regime made progress in restoring freedoms to its people.

Warsaw Notes Campaign Aims

LD300525 Warsaw Domestic Service in Polish 2215 GMT 29 Sep 87

[From the "World Panorama" program; presented by Krzysztof Wojna and Jan Gadomski]

[Excerpts] [Wojna] In recent days we have been devoting a lot of space and comment in the Polish media to the visit by U.S. Vice President George Bush. Much space and comment is also being devoted to it on the other side of the ocean. In the belief that listeners are interested in that angle, quite different from ours, we have asked our correspondent Grzegorz Wozniak not to limit himself to so-called echoes and to take a more detailed look at U.S. reaction. Here is Grzegorz Wozniak.

[Wozniak] A common denominator of the majority of U.S. reports on Vice President Bush's trip to Poland is the stress on its significance for U.S. politics. It may be a surprise to us to receive the first visit at such a high level for 10 years but it is no surprise to anyone who understands its timing and its circumstances. On the very 1st day of the visit, in a report by the ABC television network's special correspondent, U.S. viewers were shown two special camera teams, which *Newsweek* later reported had been hired and paid by the vice president's election staff. They recorded his every word and step for later use in political advertisements. The vice president, the *New York Times* wrote, had, so to speak, two audiences: one in Warsaw and the other, Republican voters, who will be voting in the decisive primaries in the coming political season. Dotting the I's, the metropolitan daily writes that George Bush seems to be copying one of his predecessors, Richard Nixon, who—as vice president and presidential candidate—paid a successful visit to Poland in 1959. [passage omitted]

Ethnic Poles, whose votes are sought by others as well, numbers 8-10 million people. Maybe this is not much when we remember that more than 70 million votes are cast in presidential elections, but it is worth remembering that the Poles, unlike other ethnic groups, try to be active. In other words, proportionally more Polish Americans vote than other groups in U.S. society, statistically speaking. [passage omitted]

Before leaving for Poland, George Bush, aware of the importance of the Polish vote, received representatives of the Congress of American Polonia, including President Alojzy Mazewski. The official report on those talks is as follows: The leaders of Polonia expressed full support for the policy of full develpoment of relations between the Governments of the United States and Poland, stressing the vital need for the PPR authorities to undertake real economic reforms and to let independent spokesmen of Polish society speak out on matters concerning today's reality and the future development of the Polish nation. (?As in a lens), the specifically U.S. perception of Polish affairs is encapsulated in that statement. (?There is) an awareness that the former policy of isolating Poland is nonsense; the conclusion is that an improvement in relations is in U.S. interests too. Nevertheless, there are also remnants of myths and legends from recent years, when U.S. policy regarded Poland not as a subject but as an object of international affairs.

What kind of Polish argument (?then) will George Bush want to present in his electoral campaign? What picture of Poland will be shown in the TV campaign of the presidential candidate? I think it will be [word indistinct] and referring more to those stale myths and legends than to the Polish reality. Myths are exceptionally persistent things; they are strengthened when you close your eyes to reality and look for their confirmation, trusting that just this kind of picture will serve individual political goals better.

'Actions' Must Back Words

LD300903 Warsaw PAP in English 0052 GMT 30 Sep 87

[By PAP commentator]

[Text] Warsaw, Sept. 29—American deeds should follow kind and friendly words which George Bush spoke throughout his visit to Poland. That is the message that Poles would like the U.S. vice-president to take home. Looking back at the just-concluded visit, the Polish Government and people take stock of it and consider its assets and liabilities.

One aspect of the visit remains undisputable. It has been the first coming to Poland by a high-ranking member of the Washington administration in the last ten years, which effectively ends the period of cold war waged against Poland by the U.S. This is a satisfactory development in itself, but it will be the follow-up of the visit which finally will prove or disprove the stated intentions of the American Government to enter into full-fledged and meaningful relations with Poland.

In other words, deeds will speak louder than words. Poland and Poles expect deeds and expect them coming fast. Polish economists put the total cost of American sanctions and restrictions against Poland at a staggering sum of 15 billion dollars. Poland is morally entitled to have business relations between the two countries returned to normal immediately and to see American support and cooperation on credits and financial relations.

This refers to the American attitude to new credits for Poland and also to the U.S. support for credit facilities for Poland in the international financial institutions: the International Monetary Fund and the World Bank. A decision to support the consolidation of Poland's official debt falling due in 1986, 1987 and 1988 announced in Warsaw is a welcome step in the right direction. But it is a very small step indeed. If the Polish economy is to take off again, which is the aim of the Polish Government supported by the American Administration, the infusion

of new credits is essential. Bush said it will depend on the financial performance of the Polish economy. The road to success is the other way round though. The more fresh credits are available the faster the economic recovery will progress.

Vice President Bush expressed, on a number of occasions, his satisfaction with the talks with the Polish leaders and particularly with Gen. Wojciech Jaruzelski. He termed them being frank and full in the best sense and emphasized their usefulness for both sides. The willingness to improve relations is on both sides. This is also a good sign for a general improvement of climate in East-West relations.

Bush's visit had also quite a few emotional moments. The American vice president, an accomplished combat pilot himself, has unveiled a memorial to the crew of a B-17 bomber shot down during the Warsaw uprising of 1944. This brought back memories of allied struggle against Nazi Germany which are particularly live in Poland and are not forgotten in the U.S. Gen. Jaruzelski as the supreme commander of the Polish Armed Forces decorated Bush with the combat pilot badge and an honorary pilot's sword. These were some of the quite anew moments which contributed to the overall success of the visit.

There are some pronounced political differences which remain in force and both sides seemingly agreed to disagree on them. But an overall trend was to start a new and build on common ground rather than to amplify divisions. Poland has not forgotten the bad past but is ready to put it behind if American actions practically confirm Vice President Bush's nice words.

Visit's Significance Discussed

LD301012 Warsaw Domestic Service in Polish0710 GMT 30 Sep 87

[Text] Good morning, Ladies and Gentlemen. This is Andrzej Zychowicz at the microhpone. The subject of today's program is the 4-day visit of U.S. Vice President George Bush and its significance for the Polish-U.S. relations. I shall be talking to a well known journalist and correspondent in the United States, Zygmunt Broniarek, and to the outstanding political scientist and expert on U.S. politics professor Longin Pastusiak.

I would like to start with the problem that became immediately apparent after yesterday's conference of the U.S. vice president, namely, the economy, the economic issues which were dealt with extensively during talks with Wojciech Jaruzelski, chairman of the Council of State. These are difficult matters. Zygmunt Broniarek, please.

[Broniarek] Yes, it is a very important matter, mostly because the Americans, despite having formally lifted the sanctions and restrictions against Poland, have not really taken any steps to make this lifting of restrictions real. Here there is a significant point: Where practical issues are involved, such as the IMF, we would like the IMF to start formal talks with us on the subject of our program for the second stage of reform—formal and officials talks. The fund has a committee in which 22 states are members. Of these, 21 states agree that we should start these talks. Only the United States is against it, and the United States has a great influence on other partners in this committee. So these are the kind of matters I mean—very practical, very concrete; really they have not moved.

[Zychowicz] We can say that beautiful declarations and words ought to be transformed into deeds.

[Broniarek] Yes, but one must not lose sight of the political significance of this visit. The point is that Bush came to Poland. Personally, when I was in Washington I could not have expected this, even as late as March of this year. When Jozef Czyrek was in Washington various matters were discussed, a certain improvement in relations was discussed, but none of us expected Bush to come to Poland. But he did come, after all.

[Zychowicz] So we can say that this visit—the fact that the visit took place—the talks conducted here, indicate that a new step has been taken in the normalization of relations between Poland and the United States. It is therefore a very significant moment; this perhaps is a new chapter.

[Broniarek] Yes, absolutely, except that the future will continue to be difficult because the Americans have many illusions on how to shape our reality in accordance to their wishes. I think that until they give this up, at least to a significant degree, the situation will continue to improve, but too slowly. So Bush did make a good step; he wanted to come here himself, and I think that on the basis of this step we can now go further and improve the relations step by step. Such is the formula, but I think that these steps will be much longer and can [word indistinct]

[Zychowicz] Professor, I would like to ask you now for an evaluation of Polish-U.S. relations, at this juncture, when the vice president's visit is over. At the same time, could you evaluate the prospects of these relations? One should not forget that President [as heard] Bush is the leading candidate of the Republicans for the 1988 presidential elections. Professor Pastusiak, please.

[Zychowicz, interrupting] Yes, connected with very influential circles, the Texan oil circles...

[Pastusiak, interrupting] Yes, although he himself is from the East coast, from a family of great political experience; his father was a senator for many years, so he gained some of his political culture, political traning at home too. In other words his behavior, which I, as a

political scientist and U.S. specialist, noticed was quite typical, very typical I would say, of the behavior of a U.S. politician in the period immediately before the intense election campaign.

It was no accident that Vice President Bush had with him a television crew, U.S. television crew that carefully recorded all his meetings and the events that took place. You can be sure that this will be used very carefully in the electoral campaign that will formally declare his standing as a Republican Party candidate for the presidential nomination.

[Zychowicz] But returning to issues of Polish-U.S. relations, how do you see their future? Here editor Broniarek said that the road will be very difficult, the road to full normalization.

[Pastusiak] I think that the Americans are dividing this normalization of Polish-U.S. relations into many installments. Polish-U.S. relations are shaped by two groups of factors: First is interests and second is sentiment, tradition, the history of these relations, and so on. As a political scientist I must state that interests are the decision factor. The sentimental factors and historical tradition play a secondary role. They are important when the interests are convergent. Then the sentimental factors strengthen bilateral relations. When the interests of the two coutnries are contradictory, then sentiments help nothing.

The president, Vice President Bush—this slip of the tongue when I said president perhaps is not so accidental, as it might be a prophecy coming true—I think he has a good chance of winning the nomination of the Republican Party. When he gets the nomination he will have a great chance of becoming the 41st president after Ronald Reagan. Vice President Bush in Poland had his mouth full of words of traditions, but the true state of relations—and this we have learned from experience and the need for a realistic look at the world and reality—will be indicated by concrete U.S. decisions: how much the United States opens credit lines for us; how much they create competitive conditions for Poland so that we can regain, if only in part, the U.S. market we used to have for Polish goods—trade fell fourfold after the most favored nation clause was withdrawn and after the guarantees from U.S. firms for credits to Poland were withdrawn, and so on. In this sphere the progress in Polish-U.S. relations is relatively slow, much slower that our interests require, much too slow to fulfill the wishes of the Polish side.

But the Americans have a reputation for using economic levers in their political relations. Their trump cards are the economic ones: credits, technology, goods. They make very effective use of this economic lever in their relations, and not just with Poland. That is why the sphere of economic relations, in my conviction, will be the last sphere to be normalized, in the way in which we understand the normalization of economic relations between Poland and the United States.

[Pastusiak] At the moment he is the vice president of the United States, and the function of vice president from the formal and constitutional point of view is of little significance. The vice president is, in practice, just waiting for the death of the president in order to succeed him. This has happened eight times in U.S. history. The constitution envisages just one function for the vice president: chairing the Senate meetings. Because these meetings are boring vice presidents do not, in general, attend the meetings of the Senate because they have no voting powers. The only situation when the vice president can vote in the Senate is when equal numbers of Senators vote for and against a given motion.

Vice President Bush has twice made such a vote, most recently last week when there was a debate on the SDI budget, the program of President Reagan who demanded $5 billion. The Senate agreed to $4 billion, that is, I mean the Senate commission, and when the voting took place, 50 senators were in favor of $5 billion, and 50 in favor of $4 billion. In this situation the vice president, as chairman of the Senate, cast the decisive vote, worth $1 billion. He of course, supported the motion of President Reagan and voted in favor of a 5 billion expenditure on Star Wars.

But in the recent, postwar years the situation has changed as some presidents entrust their vice presidents with various important functions. Such important functions—various political and diplomatic missions—are entrusted in Vice President Bush by President Reagan, and therefore the role and importance of President [as heard] Bush in this administration is significant.

[Zychowicz] Therefore, his visit to Poland has great significance for the future of Polish-U.S. relations. I have in mind here the normalization of political relations, as well as economic relations as mentioned earlier by editor Broniarek.

[Pastusiak] Yes, I also regard this visit as significant, although we need to wait before we can make a more profound analysis. Apart from this, because Vice President Bush during his stay in Poland made many declarations of good will, we, having learned from experience, shall now wait for these wishes and declarations to be supported by practical actions. I am speaking as a scholar, as a political scientist, perhaps not so much a practician as a theoretician, as a researcher into international politics—U.S. politics to be more specific—and as such I teach my pupils to see the difference between declarative goals in politics and real goals. This concerns all countries, of course, regardless of their political system, but it applies in particular to the behavior of U.S. politicians, who have their mouths full of declarations. These are often beautiful words that sound very

pleasing and are well received, often, I would say, boosting our vanity, nationalism, pride and so on. But behind these words there is not much practical significance or practical moves.

I think that the behavior of President [as heard] Bush, which was very pleasant in the official talks, very correct—this is a man of good manners, well educated, an experienced politician who in the past has held many very responsible posts: He has been the head of the U.S. mission to the United Nations; ambassador, in fact, to Beijing; he has also been head of the CIA; an experienced congressman and member of the House of Representatives; also an experienced businessman, oil man, president of several corporations...

Daily Previews Visit

AU2911500 Warsaw RZECZPOSPOLITA in Polish 26-27 Sep 87 pp 1,11

[Commentary by Maksymilian Berezowski: "George Bush Is Coming To Poland"]

[Text]U.S. Vice President George Bush is arriving in Poland on an official visit today. His route from the United States is Rome, Warsaw, Bonn, Paris, London, and Brussels. He will hold talks with General Wojciech Jaruzelski, State Council chairman, and other politicians and persons from the PPR governmental and parliamentary leadership. On account of his office, the U.S. vice president is also head of the U.S. Senate.

George Bush's 4-day visit to Poland is taking place at a time when Polish-U.S. relations are gradually returning to the path of normal cooperation, and it provides testimony of this. This turnabout occurred comparatively recently, when the U.S. administration, under pressure from reality and encouraged by pragmatism, lifted the discriminatory restrictions on these relations and abandoned the policy of sanctions which had caused Polish society and the Polish state so much harm and so many difficulties. The process of improvement dates from these decisions.

Poland has been and remains genuinely interested in developing Polish-U.S. relations. We have never concealed our desire for an improvement, not even during the drastic cooling of these relations in the first half of the 1980's—a cooling that did not emanate from us. General Jaruzelski reaffirmed Poland's posture of openness several times then. After all, Polish-U.S. relations, given the odd distortion, have frequently been good and bilaterally useful in the past. So as not to reach too far back into the past, suffice it to recall that in the 1970's Poland was visited by three U.S. Presidents: Richard Nixon, Gerald Ford, and Jimmy Carter.

Vice President Bush's Polish visit coincides with important positive changes due in the international arena. Less than 10 days ago, Ministers Shevardnadze and Shultz concluded on behalf of their governments an initial agreement to eliminate two categories of Soviet and U.S. nuclear missiles all over the world. This will most certainly facilitate the conclusion of an agreement in this sphere at the next meeting of heads of both powers, provisionally scheduled for the end of November. A start in the reduction of USSR and U.S. nuclear arsenals opens new prospects and new possibilities before the world.

It is not as of today that Poland is as energetic as it can be concerning the mainstream of detente and disarmament initiatives. The present trends and the breaking of the year-long deadlock meet our wishes and vital interests halfway. For this reason too, we regard the development of Polish-U.S. relations one of the cornerstones of broader security and cooperation. The world does not consist solely of great powers, and powers also stand to gain certain advantages from cooperating with energetic states occupying a different status.

One should hope that the visit to our country by a distinguished U.S. politician, a key personality in the U.S. Government (and, may we add, also one of the chief candidates for the office of U.S. President for the next tenure) will bring Polish affairs closer to him and facilitate a real understanding thereof. As an experienced politician, administrator, and parliamentarian, Vice President Bush is bound to want to see the reality that is not always noticed by lower-level emissaries, which has sometimes been the cause of misunderstandings in the past.

Vice President Bush's arrival in Poland during the present propitious climate and his talks in Warsaw may serve as a point of departure for a new, more fruitful stage of Polish-U.S. relations, a stage marked by realism and joint activity, coupled with an expansion of the sphere of convergent needs. Poland's stability and economic healing encourage the correctly understood long-term interests of the United States, just as every serious approach by Washington toward European affairs meets with Poland's approval.

The different political orientations of Poland and the United States and their membership of different international groups are considered recognized and obvious facts and should not present an obstacle to the kind of mutual relations that lead to the stability and maturity required in a complex world at the end of the 20th century.

We have noted with satisfaction that several days ago, PPR Foreign Minister Marian Orzechowski expressed his satisfaction with meeting U.S. Secretary of State George Shultz in New York. We hope this is a good sign that will prove itself at higher level, when Vice President Bush opens the diplomatic baggage he is bringing to Warsaw.

Orzechowski Attends UN Meetings

Relations Discussed

LD251736 Warsaw PAP in English 1412 GMT 25 Sep 87

[Text] New York, Sept. 25—Polish Minister of Foreign Affairs Marian Orzechowski met in New York on Thursday [24 Sep] with Foreign Minister of Italy Giulio Andreotti, Foreign Minister of Belgium Leo Tindemans and Spain's Minister of Foreign Affairs Fernandez Ordonez.

During the meetings, the sides discussed bilateral relations and issues concerning international situation. They expressed their support for the results of the Washington meeting of heads of Soviet and American diplomacy, Eduard Shevardnadze and George Shultz, hoping that the Soviet-American agreement will be followed by further efforts to solve other, chiefly international problems. While discussing the situation in Europe, the ministers stressed the importance of the CSCE process and the need for its continuation.

In reference to bilateral relations, sides expressed their interest in their further development and upgrading dialogue to a higher level.

On Thursday, Marian Orzechowski granted an interview to David Shipler, diplomatic correspondent of *The New York Times*. Orzechowski reviewed the state of Polish-American relations and prospects for their development. In light of his meeting with U.S. Secretary of State George Shultz and the Polish visit of Vice President Bush, Orzechowski stressed the importance of the activization of favourable economic relations between the two states.

Minister Orzechowski also presented Poland's stand on international issues, among other things, the Middle East and the situation in the Persian Gulf.

On that same day, Minister Orzechowski granted an interview to Radio Polonia. Pointing to visible signs of improvement in Polish-American relations, he stressed the especially positive role of Polonia in the restoration of the traditionally friendly ties between both nations.

Pointing to possibilities opening in result of economic transformations in Poland, Orzechowski encouraged Polonians to activate their cooperation with their motherland.

On September 24th, Minister Orzechowski gave a reception at the Polish U.N. Mission. Present were, among others, chairman of the 42nd session of the U.N. General Assembly Peter Florin, foreign ministers of a number of socialist, Western and developing states, top U.N. officials, heads of diplomatic missions accredited to the United Nations, representatives of U.S. political and economic milieus, among them David Rockefeller, and representatives of Polonian circles.

Meets Foreign Counterparts

LD261654 Warsaw PAP in English 1138 GMT 26 Sep 87

[By PAP correspondent Ludwik Arendt]

[Text] New York, Sept. 26—Poland's Foreign Minister Marian Orzechowski, now attending the 42nd session of the U.N. General Assembly here, met Friday [25 Sep] with Foreign Minister of Iran 'Ali Akbar Velayati.

The two discussed the Polish-Iranian relations and some international issues, with particular stress put on the conflict in the Persian Gulf. Minister Orzechowski presented Poland's stand on the matter and listened to Iran's opinion. He also expressed conviction that the conflict would be solved according to the July 20, 1987 resolution of the U.N. Security Council.

In an interview for *The New York Times* daily, the Polish foreign minister said that the Iranian side had no univocal guidelines as to the rejection of the July 20, 1987 resolution of the Security Council. We should do everything not to let this resolution lose its importance, Orzechowski said.

Minister Orzechowski also granted an interview to the Soviet TV.

Foreign Ministers of Poland and China, Marian Orzechowski and Wu Xueqian stated with satisfaction the favourable development of relations between their two countries, which satisfies the decisions of the Polish and Chinese leaders. While exchanging views on main international issues, the two positively assessed the Soviet-American agreement in principle on the elimination of medium- and short-range nuclear missiles. They expressed the hope that this agreement would be a starting point of the process of solving the remaining problems connected with security and disarmament.

The Polish-French relations and main problems of the situation in the world were discussed at a meeting of Minister Orzechowski and French Foreign Minister Jean-Bernard Raimond. They expressed the will to further develop the cooperation.

The head of the Polish diplomacy also met with head of the Angolan delegation to the 42nd session of the U.N. General Assembly Minister F. Van Dunen, with Portugal's Foreign Minister Joao de Deus Pinheiro and Mozambique's Foreign Minister Pasqual Manuel Mocumbi.

Poland's Foreign Minister Marian Orzechowski met today with foreign minister of Tunisia Benjamin Mkapa [as received], of Mexico Bernardo Sepulveda and with Greek minister of foreign affairs Karolos Papoulias.

Sees 'Improved' U.S. Relations

LD251837 Warsaw Domestic Service in Polish 1700 GMT 25 Sep 87

[Text] Foreign Minister Marian Orzechowski, who is in New York, has given an interview to Polish radio. Pointing out the clear signs of improvement in Polish-U.S. relations, Minister Orzechowski stressed the role of emigre Poles in restoring the traditional friendly links between both nations. He also encouraged the U.S. Polish community to activate cooperation with the homeland.

Marian Orzechowski has given a reception at the Polish UN Mission's premises. The foreign ministers of many socialist, Western, and developing states attended, as did leading officials of the United Nations and representatives of political and economic circles in the United States, including numerous representatives of the U.S. Polish community.

UN Report Cites Jaruzelski Plan

LD262006 Warsaw PAP in English 0005 GMT 26 Sep 87

[By PAP correspondent Ludwik Arendt]

[Text] New York, Sept. 25—In Poland's opinion there exists a need of a new approach towards the issue of the strengthening of international security. In the U.N. Secretary-General's report on regional disarmament the Polish Government states that common security can be achieved only through agreement and taking into consideration the interest of all countries.

The Polish Government's reply dated July 9, 1987 stresses the importance of the elimination of medium-range missiles in Europe as well as battlefield nuclear weapons. This will create appropriate conditions for the efforts aimed at limiting conventional armaments on the European continent.

In Poland's opinion, every country, irrespective of its size, has a right to make an authentic contribution to the disarmament dialogue, to the search for solutions of the specific problems of the security of its region.

In accordance with the tradition of Poland's policy of searching for stability and disarmament in Europe, on May 8, 1987, the President of the Council of State Wojciech Jaruzelski put forward a plan of reducing armaments and increasing confidence in central Europe, stresses the Polish Government's reply in the U.N. Secretary-General's report.

The plan's goal is the arresting of the threat of the outbreak of an armed conflict in Europe through the prevention of a sudden attack. The plan's realization serves the establishment of military stability on an appropriately low level with the maintenance of an equal degree of security for all sides, as well as the acceleration of the process of regional disarmament in Europe.

Quoting the four principal points of Gen. Jaruzelski's Plan, the report says that the Polish Government is prepared to hold discussions on initiatives and also to seek, jointly with other countries, practical solutions which would be mutually acceptable and which would not infringe upon the security interests of any of the sides.

Meets Egyptian Official

LD292346 Warsaw PAP in English 2139 GMT 29 Sep 87

["By PAP Correspondent Ludwik Arendt"]

[Text] New York, Sept. 29—The head of the Polish delegation to the 42nd session of the U.N. General Assembly, Foreign Minister Marian Orzechowski held some more talks with foreign statesmen.

During a meeting with the Egyptian Minister of UN [as received] both sides exchanged opinions on main international issues, giving particular [words indistinct] with the proposed peace conference, to be held under U.N. auspices, for the settlement of the conflict in that region.

Both sides also stressed the need of further high-level political dialogue between both countries.

Minister Orzechowski also met with the Turkish Minister of Foreign Affairs Vahit Halefoglu and the Nepalese Minister of Foreign Affairs Sailendra Kumar Upadhyaya.

SPD's Vogel Arrives in Warsaw 29 Sep

Greeted by Czyrek

LD291221 Hamburg DPA in German 1155 GMT 29 Sep 87

[Excerpt] Warsaw (DPA)—SPD Chairman Hans-Joachin Vogel arrived in Warsaw on Tuesday for a 3-day visit. He is taking up a personal invitation from party and state head Wojciech Jaruzelski. Vogel was greeted at the airport by Central Committee Secretary Jozef Czyrek.

Meets Jaruzelski

LD291830 Hamburg DPA in German 1739 GMT 29 Sep 87

[Text] Warsaw (DPA)—In Warsaw on Tuesday the SPD Chairman, Hans-Jochen Vogel stressed the importance to his party of reconciliation with Poland. Speaking to

deputies of the Polish parliament, he said he was making his second visit to Poland as party chairman for good reason. On his first visit he had been to the European Parliament in Strasbourg and Paris. He wanted to emphasize that he was continuing the tradition of Willy Brandt, Herbert Wehner and Helmut Schmidt, who had made it their special task to cultivate German-Polish relations.

Shortly after his arrival for a 3-day visit, Vogel was received by the Polish party and state leader Wojciech Jaruzelski. Despite an important Politburo meeting, the latter devoted over an hour of his time to the guest from Bonn. According to Vogel's report, the two men alluded to all the areas of cooperation between the two peoples and states and discussed questions of importance for the SPD and PZPR. Special importance was devoted to the working group on confidence-building measures which was established in 1985. In this connection, Vogel praised the Jaruzelski plan for reducing armaments in central Europe.

He gained the impression that the situation in Poland was much more relaxed now than during his last visit in 1984. The climate in Europe had also eased, he said, since the superpowers were finding common ground. During his visit, Vogel will also meet representatives of the Polish Catholic Church, the banned trade union organization Solidarity and the Chairman of the official new Polish trade unions, Alfred Miodowicz.

Meets Solidarity Leaders

LD301037 Hamburg DPA in German 0937 GMT 30 Sep 87

[Excerpt] Warsaw (DPA)—SPD Chairman Hans-Jochen Vogel today laid flowers on the grave in Warsaw of the priest murdered by Polish secret agents, Jerzy Popieluszko. Father Popieluszko's grave has become a place of pilgrimage and a symbol of the country's will for freedom in Poland. Vogel's flowers lay next to a wreath from U.S. Vice President George Bush. The SPD chief stood for a minute's silence in front of the grave which is decorated with emblems of the banned trade union Solidarity.

Afterwards he met the head of state and party, Wojciech Jaruzelski, and other representatives of the PZPR for a second round of talks. Yesterday, Vogel met the most prominent advisor of Solidarity chairman Lech Walesa, the historian Bronislaw Geremek; the former Solidarity spokesman Janusz Onyszkiewicz, the former rector of Warsaw University, Klemens Szczaniawski, as well as two publicists and a sociologist during a private dinner.

Both sides described these talks as very useful and particularly open. Vogel showed that he was impressed by the objectivity of his interlocutors. Onyszkiwicz said that Vogel was able to convince himself that the leaders of Solidarity are not irresponsible people who want to "ignite a powder-keg". It was learned from participants that besides the situation in Poland, questions of German-Polish relations and the situation in general since the reform course by the Soviet party leader, Mikhail Gorbachev, were discussed.

During his last visit to Poland in 1984 Vogel avoided all contact with the opposition. [passage omitted]

Jaruzelski Receives USSR's Tolstykh

Talks on Science, Technology

LD282224 Warsaw PAP in English 2007 GMT28 Sep 87

[Text] Warsaw, Sept. 28—PUWP CC First Secretary, president of the Council of State Wojciech Jaruzelski received here today vice-chairman of the Council of Ministers of the USSR, chairman of the State Committee for Science and Technology of the USSR Boris Tolstykh who is visiting Poland in connection with ongoing "Days of Soviet Science and Technology".

The sides discussed basic issues related to the realization of the Polish-Soviet long-term comprehensive programme of scientific and technological progress. Jaruzelski and Tolstykh shared the view that the event would provide an important impulse for expanding direct scientific-technological cooperation and would speed up the realization of the programme.

Visits Katowice Exhibition

LD300332 Warsaw Domestic Service in Polish 2200 GMT 29 Sep 87

[Excerpts] Following its inauguration in Warsaw, an exhibition of achievements in Soviet science and technology opened today in Katowice. [passage omitted]

Taking part in the exhibition, Boris Tolstykh, USSR Council of Ministers deputy chairman, together with Wladyslaw Gwiazda, Council of Ministers deputy chairman, next visited the Mera-Elzab computer equipment works in Zabrze. The works were acknowledged last year as the best exporter to the Soviet Union from the Katowice Voivodship region.

More on Visit by Austria's Vranitzky

Details of Jaruzelski Meeting

AU231214 Vienna WIENER ZEITUNG in German 23 Sep 87 p 1

[Franz Zauner dispatch from Warsaw: "A Visit of Symbolic Significance"]

[Text] The meeting with State Council Chairman Wojciech Jaruzelski was one of the highlights on the 2d day of Chancellor Franz Vranitzky's official visit to Poland. A subsequent joint luncheon, which went beyond usual protocol conventions, stressed the importance accorded to the chancellor's visit to Poland. Vranitzky's trip to

Poland is the first visit of a West European head of government to this country, isolated regarding foreign affairs for a long time following the extension of martial law.

At the meeting with Jaruzelski the goals of Austrian-Polish relations, which had been coordinated the day before during the talks with Council of Ministers Chairman Zbigniew Messner, were confirmed. At the international level the attitude concerning international security, in particular concerning the CSCE process, is almost identical. Both Poland and Austria are in favor of discussing questions of nuclear disarmament within CSCE. Furthermore, Poland supports Vienna's candidacy as the "natural venue for further CSCE meetings." An initiative for a special conference on the "preservation of Krakow's cultural heritage" in Krakow is also supported by both countries.

Analogous to a similar institution between the FRG and Poland, the foundation of a Polish-Austrian forum will be considered, which is to serve an intensive exchange of views on scientific and cultural matters. In addition, an environmental agreement (mutual duty to provide information in case of accidents, exchange of experts) is being prepared.

As of 1 January 1988, compulsory visas for both countries will finally be abolished. Then it will be possible for citizens from both countries to cross the borders without a visa—in line with the 1972 agreement.

Economic relations with Poland are not quite so uncomplicated at present. The country's unfortunate foreign trade position, the unclear rescheduling situation, and the high backlogs in payments; also with regards to Austria, limit its economic leeway. Chancellor Vranitzky said that relaxing the restrictive credit policy—which applies to the granting of new loans—can be achieved only if the rescheduling negotiations in the Paris Club show new results.

At the end of 1987, Poland's foreign debts amounted to $33.5 billion. Therefore, at present it is impossible to consider the conclusion of large-scale projects such as in the 1970's. Nevertheless, this state visit is also expected to yield some specific economic results.

Thus, on Tuesday [22 September] Vranitzky laid the first stone for a new hotel in Warsaw, an international project with the participation of Austrian companies. Other projects mainly involve Austria's nationalized industry.

Vranitzky not only visited Poland's official state representatives. Apart from a meeting with Polish Primate Jozef Glemp in the Austrian residence, he also met with opposition members, including Solidarity adviser Adam Michnik.

For today the laying of a wreath in Auschwitz is scheduled. In his toast last Monday, Vranitzky paid tribute to Poland's role in the struggle against fascism.

Visits Krakow, Returns Home

AU251002 Vienna WIENER ZEITUNG in German 25 Sep 87 p 1

[Excerpts] Krakow—Chancellor Franz Vranitzky's 4-day official visit to Poland was characterized by an emphatically friendly atmosphere, as well as by protocol honors that are normally reserved for heads of state.

Thus, state and party leader Wojciech Jaruzelski received the Austrian chancellor not only for a courtesy visit, but also gave a luncheon in his honor and had a talk with him that took more than 2 hours. Contrary to the usual protocol, Vranitzky was received with military honors. [passage omitted]

Yesterday, Thursday, the last day of Chancellor Franz Vranitzky's 4-day official visit to Poland was first dedicated to visiting Krakow.

At noon the party went on to the Huta Katowice Metallurgical Combine and visited the modern rolling mill that has been constructed with Austrian participation. They then visited the Kompostownia company near Rogoznia, a company in which Austria also participates and which is specialized in recycling.

After the Austrian guests had had a short stay in the Warszawa Hotel in Katowice, the voivode of Katowice gave a dinner in their honor at his residence that evening, before they boarded the Chopin express train to return to Vienna.

Technological Protocol Signed With PRC

LD260048 Warsaw PAP in English 2159 GMT 25 Sep 87

[Text] Warsaw, Sept. 25—The 20th session of the Polish-Chinese Commission for Scientific and Technological Cooperation met here today. During the talks, the sides agreed on many new forms of activity.

The sides agreed to expand direct contacts between the office for scientific-technological progress and implementations and the State Committee of Science and Technology of People's China.

Under the agreement, the sides will cooperate in topics related to organization and ways of financing of central tasks for development of scientific-technological progress and will exchange information on organization of cooperation with abroad.

Decisions of the commission were embodied in a protocol signed here today by the head of the delegation of the People's Republic of China, Vice-Minister of the Electronic Industry Xie Gaojue and on the Polish side, by Andrzej Zor, under-secretary of state in the office of the Council of Ministers.

Members of the Chinese Delegation were received by Vice-Premier Zbigniew Szalajda. During the meeting attended by China's ambassador to Poland Wang Jinqing, Szalajda decorated Xie Gaojue with a golden badge of the order of merits of the Polish People's Republic. He also conveyed a congratulatory letter from Polish Premier Zbigniew Messner to the Chairman of the Mixed Commission on the Part of China, Pan Zjiyuan.

In a talk with *PAP* journalist, the chairman of the Chinese delegation stressed the significance of the signed document for bilateral contacts in science and technology. An intention to organize 'Days of Science and Technology' in Poland and China is a new item in the document.

Energy Ministers, Cadres Dismissed

'Shortcomings' Noted

AU292035 Bucharest Domestic Service in Romanian 2000 GMT 29 Sep 87

[Text] RCP Secretary General Comrade Nicolae Ceausescu today chaired a meeting of the Political Executive Committee [PEC] of the RCP Central Committee. During the meeting, the PEC examined the way work was done to implement the repair and commissioning program for energy units, particularly for the thermal power stations of Rovinari and Turceni, which play an important part in the country's electric power production.

The PEC listened to reports by the prime minister and the first deputy prime minister in charge of energy problems concerning the situation in that sector. The PEC came to the conclusion that the activity in the field of electric power is totally unsatisfactory; serious shortcomings were noted, particularly at the Rovinari and Turceni thermal power stations, but also in other units in that sector, which have led to the nonfulfillment of the relevant repair and commissioning programs and to the nonfulfillment of plan tasks. The PEC also criticized the serious shortcomings registered in storing, accounting for, and administering the necessary materials and equipment for repair and maintenance operations which, in the case of the two thermal power stations, are very high.

During the meeting, the deputy prime minister in charge of the energy sector and the minister of electric power tried to justify the serious shortcomings and deficiencies in that sector. In view of the present situation in the energy sector, Party Secretry General Comrade Nicolae Ceausescu demanded that urgent steps be taken to eliminate without delay the existing negative states of affairs and to instill a high spirit of responsibility, order, and discipline in this very important field of activity, so that the plans and programs in that field can be commendably implemented, in accordance with the requirements of the national economy.

The party secretary general said that the people working in the energy sector as well as in other economic sectors—mining, oil, and so forth—should show a spirit of greater responsibility and should firmly combat any irresponsible attitudes and manifestations in the administration of our national wealth and in the fulfillment of established production plans and programs. In this respect, he emphasized the great responsibility and obligations devolving upon the government, the management of the Ministry of Electric Power, the Gorj County Party Committee, the party organizations of Rovinari and Turceni thermal power stations, and the party organizations in all energy units.

Comrade Nicolae Ceausescu asked that all appropriate conclusions should be drawn from the situation created at Rovinari and Turceni thermal power stations and that firm steps should be taken in all sectors to avoid a repetition of such inadmissible states of affairs. The government will have to take firm steps to implement the program on commissioning all energy capacities on schedule, in order to expediently secure the necessary energy supplies for our national economy.

In view of the unsatisfactory performance of Gheorghe Petrescu, deputy prime minister of the government, and Ioan Avram, minister of electric power, who failed to act in a responsible spirit and did not fulfill their duties in managing and organizing the proper operation of the energy system, the PEC decided to release them from the positions of deputy prime minister and minister of electric power, respectively.

Likewise, the PEC assessed that Comrades Gheorghe Petrescu and Ioan Avram no longer meet the necessary criteria for membership to the Central Committee and decided to submit to the party plenum a proposal concerning their exclusion from the RCP Central Committee.

The PEC also approved various measures concerning the dismissal of certain cadres from the management of the Ministry of Electric Power and from the managements of Rovinari and Turceni thermal power stations. The PEC also approved certain measures established by the government on opening an inquiry into this affair—to be carried out by the relevant state and Prosecutor's Office bodies—in order to bring to account the guilty parties, in accordance with the country's laws.

The PEC decided to convene a plenum of the RCP Central Committee on Monday, 5 October.

The PEC also resolved other current problems of the party-state activity.

Presidential Decree Released

AU300737 Bucharest AGERPRES in English 0711 GMT 30 Sep 87

[Text] Bucharest, AGERPRES, 30/9/1987—By presidential decree, Gheorghe Petrescu has been released from office as deputy prime minister, and Ioan Avram from office as minister of electric power, for grave shortcomings, inadequate activity and failure to fulfil the attributes incumbent on them in point of implementing the programmes established, in managing, organizing and properly running the national grid.

By presidential decree Decebal Urdea has been appointed chairman of the State Committee for Prices and released from office as deputy minister of finance; Barbu Petrescu has been appointed minister secretary of state, the State Planning Committee; Gheorghe Cazan has been released from office as minister secretary of state, the Ministry of Foreign Trade and International Economic Cooperation; Constantin Stanca has been

appointed minister secretary of state, the Ministry of Foreign Trade and International Economic Cooperation, and released from office as deputy minister in the same ministry.

Ioan Totu Speech at UN General Assembly
AU281521 Bucharest SCINTEIA in Romanian 26 Sep 87 p 6

[Report on speech given by Foreign Minister Ioan Totu at 42d UN General Assembly session on "Romania's Stance and President Nicolae Ceausescu's Considerations and Views on Major International Issues," in New York 25 September]

[Text] United Nations 25 September (AGERPRES)—During the general debates of the plenary session of the UN General Assembly, the floor was taken by Ioan Totu, minister of foreign affairs of Romania, on Friday.

From the rostrum of this high forum, I have the special pleasure to present the considerations and proposals of Romania's President Nicolae Ceausescu on major international issues and on ways to solve them in conformity with the interests and aspirations for peace, independence, and progress of the Romanian people and of all nations in the world, the speaker said.

An analysis of the international situation reveals an image that is far from quietening. The world situation continues to be particularly serious and complex. The arms race has taken on alarming proportions. Nuclear tests continue to perfect weapons of mass-destruction with a harmful influence on the environment and on life itself on earth. At the same time, conflicts, crises, and states of tension in various parts of the world have not only failed to decrease, but have even worsened, generating fresh threats to the calm and security of mankind. The policy of the use and threat of force, and of brutal interference in the domestic affairs of other states—a policy which is incompatible with the principles and norms of international law, morale, and ethics—continues.

In its turn, the world economic crisis has become more serious and deeper and affects all countries. It fully affects the already dramatic situation of the developing countries in particular.

In keeping with Romania's views and those of President Nicolae Ceausescu, at this point the only alternative is to change the dangerous trend of events and to bar the road leading to a nuclear catastrophe. A new world war cannot be conceived of, because it would practically destroy life on earth. Therefore, the wrong and outdated concept held by some nuclear states, according to which nuclear weapons strengthen security and contribute to preserving peace, must be abandoned.

Romania believes that the basic issue of our time is halting the arms race and moving firmly to disarmament, primarily nuclear disarmament, and so defending the supreme right of nations and peoples to peace, life, and a free and dignified existence.

In all its international activities, Romania devotes all its efforts toward a constant dialogue and expanding and diversifying contacts with all states in the world, irrespective of social system. These relations are firmly based on the principles of full equality of rights, respect for national independence and sovereignty, refraining from the use or threat of force, noninterference in domestic affairs, and mutual advantage.

Taking into consideration the current unprecedented scope of the arms race, primarily of the nuclear arms race, and the need for firm measures for disarmament, we believe that the current session should primarily deal with these issues, the speaker continued.

To achieve this goal, we believe that all states should intensify their efforts and actions.

Romania and President Nicolae Ceausescu propose that the UN General Assembly appeal to the USSR and the United States—considering that their positions are very close—to conclude this year, in the shortest time possible a treaty on the elimination of intermediate-range and operational-tactical missiles from Europe and throughout the world.

At the same time, the UN General Assembly should appeal to countries where nuclear weapons are deployed to renounce them and not to hamper the conclusion of such a treaty.

Similarly, all countries in Europe and on the other continents should be called upon to act with great determination to contribute to the conclusion of such a treaty this year.

Welcoming the recent agreement in principle between the Soviet Union and the United States, we express the hope that the treaty will be signed during the summit meeting to take place in the fall of the current year.

Taking account of the fact that nuclear tests contribute to the intensification of the arms race and, at the same time, exert a harmful influence on the environment, the UN General Assembly should call first on the United States and the USSR, and then on all other states possessing nuclear weapons to halt nuclear testing and any activities aimed at developing and perfecting nuclear weapons.

At the same time, all states in the world must be called upon to use nuclear energy solely for peaceful purposes to the benefit of the whole of mankind.

Primarily paying attention to the issues of nuclear disarmament, Romania also believes that firm steps have to be taken to reduce conventional weapons, troops, and military expenditures which have exceeded $1,000 billion worldwide this year.

In presenting a set of proposals in this connection in past years, Romania itself moved to a unilateral 5 percent reduction in weapons, troops, and military expenditures on the basis of a national referendum in which practically the whole nation participated. Thus the Romanian people asserted their desire and determination to act resolutely for disarmament and peace. In our view, the adoption by states of unilateral disarmament measures represents a tangible way to move from words to deeds and to achieve real progress in achieving general disarmament.

In the same spirit of dealing with the problems of disarmament and making use of all possibilities in this area, Romania believes that negotiations on conventional disarmament between the NATO and Warsaw Pact countries should begin as soon as possible, with the participation of other countries on the European continent.

Taking into account the enhanced role the United Nations should play, Romania proposes that the UN General Assembly act to formulate and finalize a comprehensive program for nuclear and general disarmament which should be submitted to the UN General Assembly third special session devoted to disarmament, scheduled to take place in 1988. The program should include measures for the total, stage-by-stage elimination of nuclear weapons and a substantial reduction of conventional weapons, troops, and military expenditures, as well as a ban on the production of chemical weapons and the destruction of existing stocks. In our view, the comprehensive program must envisage the requirement for independently solving the various problems and aspects of nuclear and conventional disarmament, without conditioning each other.

In the same vein, Romania believes that the formulation and adoption, by the United Nations, of an international document on the principles that should guide negotiations between states in the area of freezing and reducing military expenditures would give an impetus to the efforts made by the world community toward disarmament.

Particular importance would lie in halting any kind of measures aimed at the militarization of outer space, which should be used solely for peaceful purposes and in the interests of the whole of mankind.

Moving from the fact that launching a great number of satellites has a negative influence on the environment and on life on earth, we propose that the UN General Assembly call on all states that launch such satellites to limit the number sent into outer space. At the same time, the UN General Assembly should call on the states of the world to begin negotiations as soon as possible in order to settle the issue of using outer space solely for peaceful purposes, and of establishing a rational system for using it as an asset for the whole of mankind. The interests of international peace and security and more require the creation of nuclear- and chemical weapon-free zones, the development of good-neighborliness, and mutual understanding, and cooperation. In this spirit, Romania consistently acts to turn the Balkans into an area of good-neighborliness, peace, and cooperation, without nuclear and chemical weapons, and without foreign military bases and troops. In this sense, the recent proposals made by Romania and Greece to organize a summit meeting in Bucharest of chiefs of state and governments from the Balkan countries are particularly significant.

Romania also advocates nuclear- and chemical weapon-free zones in northern and central Europe, and on other continents. We believe that the United Nations should encourage initiatives aimed at creating such zones, including denuclearized cities and localities on various continents, to strengthen trust and security at a regional and world level.

Given the closer and closer interdependence that characterizes the present-day world and international developments, Romania proposes that the United Nations launch a general appeal to all conflicting states to halt military operations, and a call to all states in the world to move toward solving all disputes and differences between themselves by peaceful means, by negotiations, the Romanian minister said. An appeal should also be launched to stop any kind of military operations as soon as negotiations have begun and throughout their duration. To ensure the fulfillment of the duties assumed with regard to stopping military operations for the duration of the negotiations and to solve problems through negotiations, the UN Security Council or another UN body should be empowered to see to this.

Regarding the Middle East situation, the position held and the actions taken by Romania and by the president of the republic are consistently aimed at ensuring a global, just, and lasting peace, based on Israel's withdrawal from the occupied Arab territories, recognition of the Palestinian people's inalienable right to self-determination, and the creation of a Palestinian state, and on guaranteeing the independence and sovereignty of all states in that area. We believe at this point that a realistic way to ensure peace in the Middle East is the organization of a UN-sponsored international conference on Middle East issues with the participation of all sides concerned, including the PLO, Israel, and the permanent members of the UN Security Council. We believe that such a historic opportunity should not be wasted, so that the tried Middle East area may eventually find calm and peace.

Regarding the conflict between Iran and Iraq, Romania welcomed the Security Council resolution advocating the cessation of the war as soon as possible and a

political solution—through negotiations—to all problems between the two countries. We also support the actions taken by the UN general secretary in this respect. We are very firmly against any kind of actions which could escalate the conflict. The withdrawal of all foreign military ships from the Gulf is necessary, efforts to stop the Iran-Iraq war must be intensified, and free navigation must be ensured in that area, as in fact in all oceans and seas in the world.

At the same time, Romania supports any actions and initiatives that favor peaceful solutions to conflicts in Central America and in other parts of the world. Within this framework, we believe that the UN General Assembly should issue a mandate, on the basis of which Romania's initiative presemed at former sessions regarding the creation of a UN good will, mediation, or conciliation commission should be finalized, in order to achieve the peaceful settlement of differences. We also believe that it is necessary to formulate an international document on developing and strengthening good-neighborliness in relations between states and on working out measures aimed at enhancing the United Nations role and capability to act in order to preserve international peace and security.

Consistent with its policy, Romania actively supports the peoples' national liberation struggle and SWAPO [South West African People's Organization] in its struggle for Namibia's independence. We firmly condemn South Africa's racist and apartheid policy and that country's hostile act against neighboring independent and sovereign states. We favor tangible and effective measures against the minority racist regime in Pretoria.

We reassert our solidarity with and our active support for the DPRK's position and initiatives, and its political-diplomatic efforts and actions aimed at the peaceful, democratic, and independent unification of Korea.

Our country's foreign minister then emphasized: Under the current conditions of the world economy, marked by the persistence of phenomena of crisis—both in the economic and financial-monetary area—the economic situation of the developing countries has worsened considerably and the economic and scientific-technical gaps between these countries and the developed countries continue to deepen. Protectionist and discriminatory measures in international trade have intensified lately, especially in the export of products manufactured by developing countries, along with a decrease in the prices of raw materials. However, the most serious problem confronting the developing countries is the burden of foreign debts, which have reached the huge amount of $1,000 billion.

Proceeding from this situation, President Nicolae Ceausescu believes that it is necessary for the UN General Assembly to adopt an appeal to all developed creditor countries and to banks and international financial institutions to institute a moratorium—for a period of at least 5 years—for all credits granted to the developing countries by the governments of the economically developed countries and by banks, including the IMF and IBRD [International Bank for Reconstruction and Development]. At the same time, the maximum limit of interest rates for existing credits should be at least 5 percent; the principle should be established according to which interest rates should not exceed 4 to 5 percent in the future; in turn, banks should pay up to 5 percent interest for deposits; trade credits should be paid in conformity with the norms and understandings concluded between countries.

At the same time, the UN General Assembly should appeal to all states to refrain from protectionist and discriminatory measures, from any artificial barriers, from restrictions and quotas in trade exchange, and to firmly apply the GATT provisions on granting most-favored nation status.

The international economic situation requires the resumption of the dialogue between the developing countries and the industrial countries, the speaker said. In this sense Romania has proposed the organization of an international conference within the United Nations, with the equal participation of the developed and the developing countries. The conference should seek mutually acceptable solutions to economic problems, including the problem of foreign debts, in order to eliminate underdevelopment and achieve a new international economic order. To enhance the role and contribution of the United Nations in achieving a global economic-political solution to the foreign debt problem, it would be necessary to create a special body within the United Nations to deal with foreign debts; this body should discuss and present proposals for tangible and effective measures in this area.

The proceedings of the recent international conference on the relationship between disarmament and development clearly emphasized that, while there are numerous serious and unresolved economic and social problems in the world, the arms race swallows huge funds each year, and thus represent an increasingly heavy burden on all peoples. The message sent by the Romanian president to the conference includes proposals on freezing military budgets to the 1987 level, to reduce them by at least 5 percent in the first stage, and to use the savings thus achieved both for the states' own socioeconomic requirements and to increase contributions to the UN programs for technical assistance.

At the juncture between our century and the third millenium, science and technology are decisive factors for progress. However, in this area there are wide gaps between the economically developed countries and the developing countries. This is why it is imperatively necessary to agree, within the United Nations, on the ways and means of action so that all countries, primarily

the developing countries, may profit from the great achievements of the human genius. Hence the need to convene a conference on science and technology for the benefit of development.

The complex and particularly serious international situation—at a political, military, economic, and social level—requires the democratization of international relations and respect for the sovereign right of all states, irrespective of size, economic or military potential, and adherence to one or another sociopolitical system, to participate in the solution of all problems concerning mankind today on the basis of the principles of full equality of rights and mutual respect. In this sense, we advocate the enhancement of the role played by the United Nations and the other international organizations, so that their activity will focus on resolving the cardinal problems of today.

Life and realities require the strict observance of the principles and norms of international law in relations between states and the establishment of a comprehensive system of peace and security in the interest of all peoples. We are in favor of perfecting and symplifying the apparatus of the UN Secretariat. We also want to express the conviction that the temporary financial difficulties of this organization should not reduce essential political and economic activities, nor modify the democratic structure of the United Nations.

Romania's concept and that of President Nicolae Ceausescu regarding the major problems of the current international situation expresses the constructive desire for peace and broad international cooperation harbored by the Romanian people. At the same time, it constitutes a fervent call for the unity of all states, nations, and all realistic forces, so that through joint efforts, the threat of war will be removed once and for all, so that force will be excluded from the international arena, and a new world of peace, understanding, and cooperation will be established, the speaker said in conclusion.

Totu Addresses Group of 77 Meeting at UN

AU291900 Bucharest AGERPRES in English 1823 GMT 29 Sep 87

["Address by Romanian Representative at Ministerial Meeting of Group of 77"—AGERPRES headline]

[Text] Bucharest, AGERPRES 29/9/1987—Taking into consideration that the most serious issue facing developing countries is their foreign debt, Romanian Foreign Minister Ioan Totu showed in his address to the Group of 77 ministerial meeting in New York, Romania considers it necessary for the UN General Assembly to Address on appeal to all creditor developed countries and to all banks and international financial institutions to establish a moratorium for a period of minimum five years on the disbursement of all credits previously granted to developing countries by the governments of the developed countries and banks, including the IMF and the IBRD.

At the same time, it should be demanded that the upper limit of the interest rate for existing loans be not higher than five percent. It should also be asked that the principle be established that interest rates on future credits should not exceed four to five percent; that banks, in their turn, should pay interest of up to five percent on the respective deposits; and that commercial credits should be repayed in compliance with such norms and understandings as agreed between parties.

The Romanian minister also suggested that the General Assembly should call upon all state to renounce protectionist and discriminatory measures, and any artificial obstacles, restrictions and quotas in their trade exchanges, and apply firmly the GATT provisions on the granting of the most-favoured-nation cause.

Reiterating Romania's stand expressed in the debates in the plenum of the UN General Assembly, Ioan Totu showed that the IMF and the IBRD would have to apply the same criteria with respect to interest rates and the repayment of credits, by extending the term of repayment by at least ten years and by limiting the interest rates used for the creation of lending resources. The IBRD would also have to renounce the arbitrary and unjust practice of increasing the amount of foreign debt through the addition of the so-called exchange adjustment factor, while the disbursement of previously granted credits should be made at the initially contracted rate and structure of currencies, without any further add-ons.

Romania considers that the IMF and the IBRD should place their entire activity on more democratic basis, so that member countries and, especially the developing countries, should have a greater say in the adoption of decisions by those two institutions.

Romania believes it necessary to convene an international conference, under United Nations auspices, to be attended on an equal footing, by both developing and developed countries, for the purpose of embarking upon effective negotiations for the settlement of the burning issues of the world economy.

The Romanian minister pointed to the need to identify new possibilities to strengthen the co-operation among developing countries and to elaborate a common platform of action for the negotiations with the developing countries.

It would be of great significance that the Group of 77 in conjunction with the nonaligned countries convene a summit conference of the development countries, the Romanian foreign minister underlined.

Communique on Dascalescu Visit to Morocco

AU291039 Bucharest SCINTEIA in Romanian 27 Sep 87 p 5

["Press Communique on the Official Visit Comrade Constantin Dascalescu, Prime Minister of the Government of Romania, Paid to the Kingdom of Morocco" 23 to 26 September 1987]

[Text] Rabat 26 September (AGERPRES)—Comrade Constantin Dascalescu, prime minister of the Government of the Socialist Republic of Romania, paid an official visit to the Kingdom of Morocco from 23 to 26 September 1987 at the invitation of Azeddine Laraki, prime minister of the government of that country.

During his visit, the prime minister of the Government of the Socialist Republic of Romania, was received by King Hassan II of Morocco.

On behalf of Comrade Nicolae Ceausescu, president of the Socialist Republic of Romania, the guest conveyed a cordial message of friendship to King Hassan II of Morocco, together with best wishes for good health and personal happiness, and wishes for progress and prosperity to the friendly Moroccoan people.

Expressing thanks for the message, King Hassan II asked the guest to extend cordial greetings to President Nicolae Ceausescu, as well as best wishes for good health and personal happiness, and wishes for increasingly greater successes to the friendly Romanian people.

During the official talks between the prime minister of the Government of the Socialist Republic of Romania and the prime minister of the Kingdom of Morocco, which took place in an atmosphere of warm friendship and understanding, the two sides highly valued the decisive contribution made by the personal ties of friendship and mutual respect and the meetings and talks between Comrade Nicolae Ceausescu, president of the Socialist Republic of Romania, and King Hassan II of Morocco to constantly developing and diversifying the excellent relations between the two countries.

During the talks, the two prime ministers made a profound analysis of the current stage of bilateral relations in all areas. They also exchanged views on certain current international issues.

The two prime ministers noted with satisfaction the positive development of Romanian-Moroccan trade exchanges and reasserted their firm desire to make joint efforts to expand and diversify these relations even more in order to double the trade volume by the end of the current year.

On the basis of results achieved so far in the field of economic and technological cooperation and especially on harbor construction, geological research, and technical assistance, the two prime ministers agreed to continue to expand the exploration of available opportunities through negotiations between the competent ministries, specialized institutions, and trade companies in order to identify and implement new cooperation projects, especially in such areas as harbor, road, and railroad construction, industry, geology, fishing, and in other sectors of common interest.

The two sides agreed to take the necessary measures to continue to ensure the completion of current projects at an increased rate in conformity with the relevant program and reasserted their determination to develop and diversify cooperation between the two countries on the basis of mutual advantage and to do all they can to expand cooperation in other areas of common interest.

For this purpose, the two prime ministers signed a Long-term Agreement on Developing Economic and Technical Cooperation and on Intensifying Trade Exchanges.

The main results of the talks and measures to develop and expand economic cooperation and bilateral trade exchanges were included in a protocol signed by the two prime ministers at the end of the visit.

The two sides expressed satisfaction with the coming into force of the convention on avoiding double taxation of revenues and decided to exchange, in the-not-too-distant future, the ratification instruments of the Treaty on Guaranteeing and Promoting Investments, of the Convention of Social Security, and of the Agreement for Cooperation in the Area of Ocean Fishing.

The two prime ministers emphasized the important role to be played in the future by the Intergovernment Commission for Economic and Technical Cooperation in all areas of cooperation between the two countries.

The sides noted with satisfaction that expanding and intensifying cooperation in science, culture, art, press, and information constitutes an important contribution to strengthening friendship and to the closeness of the two countries on the basis of a better understanding of the history, civilization, and the achievements attained by the Romanian and Moroccan peoples.

The two sides emphasized the need to intensify exchanges of visits between the two countries at all levels to strengthen relations of friendship and cooperation between Romania and the Kingdom of Morocco.

Prime Minister Constantin Dascalescu visited some economic projects of national interest, including the port of Nador, which was jointly built by Romanian and Moroccan specialists. He also visited economic units and sociocultural establishments in Rabat, Fes, and Casablanca.

During the official talks, the two sides briefed each other on Romania's and Morocco's current concerns in the socioeconomic development area.

The two prime ministers examined the current international situation and noted with satisfaction their broad identity of views on the issues discussed. Expressing their deep concern about the constant deterioration of the world situation, they emphasized the serious threat posed—in their common view—by the irresistible arms race, primarily the nuclear arms race, as well as by the conventional arms race, for world peace and security.

The Romanian and Moroccan prime ministers stressed that the basic issue of the present-day world is halting the arms race, primarily the nuclear arms race, and urgently moving to tangible and effective actions for disarmament to free humanity from the threat of a nuclear war and ensure the peoples' sacred right to life, freedom, and independence.

The sides reasserted the need that the 42d session of the UN General Assembly call for intensified efforts and actions by all states to seek a constructive solution to the major problems of the current international situation and to settle disputes solely by peaceful means, through negotiations.

In expressing their satisfaction with the agreement in principle between the USSR and the United States, the two sides emphasized the need for action to finalize a treaty on the elimination of intermediate-range and operative-tactical missiles from Europe and other continents this year.

The two ministers paid particular attention to the current situation in the Middle East expressing their profound concern about the tension in that area. The Romanian and Moroccan prime ministers spoke out for intensified regional and international efforts aimed at convening an international conference on peace in the Middle East under the aegis of the UN and with the participation of all sides concerned, the PLO—as the sole legitimate representative of the Palestinian people—and the permanent members of the Security Council.

Prime Minister Azeddine Laraki paid special homage to President Nicolae Ceausescu and to the Romanian Government and people for the constant support granted to the Arab cause.

The two prime ministers also expressed their deep concern about the serious situation in the Gulf area and the continuation of the war between Iran and Iraq, and spoke out for an immediate stop to hostilities and for the peaceful solution of the conflict on the basis of the UN Security Council Resolution 598.

The two prime ministers expressed their countries' concern about the aggravation of the world economic crisis and the deterioration of the economic situation of the developing countries, and spoke out for intensified efforts to establish a new international economic order to eliminate underdevelopment. In this sense, they stressed the need for the current session of the UN General Assembly to appeal to all the governments of the developed creditor countries, to banks and international financial institutions, and especially to IMF and the World Bank to act and to adopt tangible measures aimed at a just and equitable settlement of financial-economic problems and of the policy on credits and interest rates, and aimed at resolving the problems regarding the elimination of foreign debts which are an increasingly greater burden for the developing countries. The two prime ministers also stressed that it was necessary to call on all states to renounce any kind of protectionist and discriminatory measures, and any artificial barriers hampering a normal development of international trade.

The official talks took place in an atmosphere of understanding, cordiality, and mutual respect. The two prime ministers expressed their profound satisfaction with the results of the visit and understandings concluded, and voiced the conviction that they will contribute to further intensifying relations of friendship and cooperation between the two countries and peoples.

The prime minister of the Government of the Socialist Republic of Romania, Comrade Constantin Dascalescu, expressed warm thanks for the cordial and friendly hospitality and welcome bestowed on him by the Moroccan Government and peoples, and extended an invitation to the prime minister of the Moroccan Government, Azeddine Laraki, to pay an official visit to Romania.

Prime Minister Azeddine Laraki accepted the invitation with pleasure. The date of the visit will be agreed upon later through diplomatic channels.

Anton, Delegation Meet Gromyko in Moscow

AU282029 Bucharest AGERPRES in English 1957 GMT 28 Sep 87

[Text] Moscow, AGERPRES, 28/9/1987—Warm messages were exchanged between RCP General Secretary, Romania's President Nicolae Ceausescu and CC of CPSU General Secretary Mikhail Gorbachev during the reception by Andrey Gromyko, chairman of the Presidium of the Supreme Soviet of the USSR, of a delegation of the Grand National Assembly of Romania led by Ioan Anton, member of the State Council, now on a visit to the Soviet Union upon the invitation of the Supreme Soviet.

During the talk on the occasion questions were approached related to the further development of the Romanian-Soviet ties in keeping with the agreements concluded between Nicolae Ceausescu and Mikhail Gorbachev. Stress was laid on the contribution the parliaments and parliamentarians in Romania and the Soviet Union, can and must, make to better mutual knowledge and the growth of bilateral relations.

Daily on IMF-IBRD Session, Foreign Debts

AU291522 Bucharest AGERPRES in English
1322 GMT 29 Sep 87

["Romania Speaks up for Creation of Equitable and Democratic Valuta-Financial System"—AGERPRES headline]

[Text] Bucharest AGERPRES 29/9/1987—A commentary devoted on 29 September by daily *Scinteia* to the opening of the annual IMF-IBRD [International Bank for Reconstruction and Development] session stresses that while the negative trends in the world economy and commerce affect to various extents all the states in the world, the countries who suffer the worst, as also resulting from the IMF report, are the developing countries, which traverse a crisis of unprecedented scope.

The commentary notes the unjustified high cost of international credit to be among the most noxious factors leading to the current critical financial situation of the third-world countries. Credit turned excessively expensive by the developed capitalist countries led to a rapid worsening of the conditions for repayment of the debt, the debtor countries having to pay more on interest than on principal. The policy of excessive interest rates turned the foreign debt issue into a vicious circle: The lagging countries must spend an ever larger share of their incomes not on development but on paying their debt, which is more and more difficult to do precisely because of dwindling production—the main source of revenue.

The processes and tendencies of the world economy, notes the daily, make more obvious the realism of the "considerations and proposals of Romania, of President Nicolae Ceausescu, with respect to the global solution of the foreign debt and very high interest rates problems," a document which will be tabled at the current annual session of the IMF and the IBRD. Considering precisely the difficult situation of the world economy, Romania considers that the two forums must fundamentally reconsider their policies and practices so that they may contribute actively to the promotion of a new equitable and democratic financial-valuta system meant to support the efforts made for progress by the developing countries.

In this respect, reminds the daily, Romania has issued a number of concrete proposals which first of all envisage that the IMF and the IBRD should limit their rates of interest to five percent on credit already offered and to four percent on new loans, in order to make sure that with the benefit resulting from each unit developed with their credit due resources may be achieved both for principal and interest repayment and for a certain income for the debtor country.

At the same time Romania considers that the IBRD must give up its arbitrary and unjust practice of increasing the foreign debt by adding the so-called "exchange adjustment" and should accept repayment of credit at the same value and in the same currency structure initially agreed upon, without supplementary amounts required.

The Romanian proposals also envisage the extension of all credit repayments by at least 10 years, so that through the alleviation of the external debt burden the necessary financial resources for the progress of the developing countries should be ensured, limiting the interest level to five percent on the funds borrowed to create credit resources, and to four percent on the funds to be borrowed by the two international financing institutions in future, the democratization of all the IMF and IBRD activities so that the member countries, particularly the developing states, may play a greater part in establishing measures and decision making, concludes daily *Scinteia*.

Ceausescu Receives New Jordanian Ambassador

AU291852 Bucharest AGERPRES in English
1731 GMT 29 Sep 87

[Text] Bucharest, AGERPRES, 29/9/1987—Romania's President Nicolae Ceausescu received on Tuesday, September 29, Yasin Istambuli, who presented his letters of credence as ambassador extraordinary and plenipotentiary of the Hashemite Kingdom of Jordan in Romania.

In his address on the occasion the ambassador highlighted the links of friendship and collaboration between Romania and Jordan and expressed his country's wish to develop and strengthen them further. He also underscored the appreciation Romania's foreign policy, placed in the service of a constructive settlement of the major issues facing mankind, those in the Middle East included, enjoyed in Jordan.

President Nicolae Ceausescu also highlighted the relations of friendship and cooperation between Romania and Jordan, which have developed and diversified continuously, in line with the understandings reached at top level. He also pointed out that broad possibilities existed for the further expansion of those ties on the political and economic planes and in other areas of mutual interest, for the benefit of the two peoples, of the cause of peace and understanding in the world.

He also reiterated Romania's stance on major international questions showing that Romania stated for a political, global settlement of the Middle East situation and the establishment of a just and lasting peace in the area. In that framework, emphasis was placed on the significance of an international conference on Middle

East issues to be called under UN aegis and to be attended by all the sides concerned, including the PLO, as the sole, legitimate representative of the Palestinian people, Israel, as well as of the permanent members of the UN Security Council.

Ceausescu Receives DPRK Daily Chief Editor
AU291938 Bucharest AGERPRES in English 1738 GMT 29 Sep 87

[Text] Bucharest, AGERPRES, 29/9/6987—On Tuesday, September 29, Nicolae Ceausescu, general secretary of the RCP, president of Romania, received Kim Kyong-suk, editor- in-chief of the newspaper "Minju Chosun" of the Democratic People's Republic of Korea.

On the occasion, President Nicolae Ceausescu was conveyed cordial greetings and wishes on behalf of Kim Il-song, general secretary of the CC of the Workers' Party of Korea, president of the Democratic People's Republic of Korea, and Kim Yong-il. Furthermore, the guest expressed words of appreciation for Nicolae Ceausescu's activity for Socialist Romania's uninterrupted progress and the assertion of the policy of peace, disarmament, understanding and international cooperation, for the Romanian people's achievements in its country's economic and social growth.

President Nicolae Ceausescu thanked and conveyed President Kim Il-song, and Kim Yong-il a warm salute and the best wishes.

During the interview, emphasis was placed on the links of friendship and collaboration between Romania and the Democratic People's Republic of Korea, that follow an ascending course in the spirit of the understandings reached at summit level.

President Nicolae Ceausescu reiterated, on this occasion, too, the support and solidarity of Socialist Romania and the Romanian people with the Korean people's just cause for the fulfilment of its fundamental aspirations after Korea's peaceful, democratic and independent reunification. Support was also expressed to Kim Il-song's proposals for a gradual reduction of military troops in the north and south of Korea.

More on Visit by PLO's 'Arafat

Talks With Mojsov

LD291620 Belgrade TANJUG Domestic Service in Serbo-Croatian 1424 GMT 29 Sep 87

[Text] Belgrade, 29 Sep (TANJUG)—Yugoslavia will continue to give comprehensive support to the legitimate rights of the Palestinian people, whose struggle is entering in the region of the Near East [as received] SFRY Presidency President Lazar Mojsov said today during his talks with leader of the Palestinian revolution, Yasir 'Arafat. The PLO Executive Committee chairman arrived in Belgrade last night on a working and friendly visit to Yugoslavia at the invitation of the SFRY Presidency.

Emphasizing the need for Palestinians' rights, primarily those to self-determination and an independent state to be fulfilled, Mojsov said that all available forces should be mobilized and utmost efforts invested by the international community to this end. Mojsov noted that in this mission an important role is played by the nine nonaligned countries' committee for Palestine.

The SFRY Presidency president and the PLO leader stressed the need for an international conference on the Near East, the idea of which is gaining widespread support in the world. Lazar Mojsov and Yasir 'Arafat are in favor of a meeting under UN auspices to be attended by the permanent members of the Security Council and all interested parties, including the PLO as the sole legitimate representatives of the Palestinian people. Yugoslavia will take part in efforts to create conditions for such an international conference President Mojsov said in this connection.

'Arafat gave an exhaustive report about the situation in the Near East, particularly about the situation in Lebanon. He said that the PLO is gaining increasing support in both that country and the occupied territories, and that it is enjoying more concrete support in a growing number of Arab states. Plans to liquidate the PLO in Lebanon as well as the plans to break up that country have failed. Palestinians are a factor of stability in that country, 'Arafat said. Although its plans failed, Israel nevertheless continues to attack Lebanon and exert pressures on the Palestinian camps there, the PLO leader added. In this context he drew attention to the contacts with those forces in Israel which accept the PLO and consider dialogue the only proper way to resolve the Palestinian issue and the crisis in the region. In other words, there are increasing calls in Israel itself for this entire set of problems to be approached in a positive manner, 'Arafat stressed. Lazar Mojsov also made reference to the changes for the better, adding that the awareness of the need for a peaceful solution to these problems is gaining ground among some Jewish organizations outside Israel.

Yugoslavia and the PLO today underline the importance of ending the Iraq-Iran war. Easing of tension in that troublespot would have a favorable effect on changes in the entire region, Mojsov and 'Arafat stressed. They voiced their support for peaceful initiatives and actions to resolve other pressing troublespots in the world such as in Chad and other countries.

Received by SAWPY President

LD292334 Belgrade TANJUG Domestic Service in Serbo-Croatian 1740 GMT 29 Sep 87

[Text] Belgrade, 29 Sep (TANJUG)—Milojko Drulovic, president of the SAWPY Federal Conference, today held talks with Yasir 'Arafat, chairman of the PLO Executive Committee. Yasir 'Arafat heads a delegation of the PLO Executive Committee which is staying in Yugoslavia at the invitation of the SFRY Presidency.

Yasir 'Arafat, chairman of the PLO Executive Committee, in cordial talks which were also attended by Mirko Ostojic, member of the SAWPY Federal Conference Presidium, and Trpe Jakovleski, president of the SAWPY Presidium committee for assistance to liberation movements and victims of aggression, expressed much gratitude to the SAWPY and other subjects of the country for their steady and consistent support for the struggle of the Palestinian people for respecting their legitimate national rights under the PLO's leadership.

'Arafat informed Yugoslav partners about the most recent developments of the situation in the Middle East, the position of the PLO, activities of the movement on the realization of the decisions of the 18th session of the Palestine National Council, and about the prospects for holding and international peaceful conference on the Middle East under UN auspices.

SAWPY Federal Conference President Milojko Drulovic on this occasion pointed out the readiness of the SAWPY to continue giving comprehensive support to the PLO, the only legitimate representative of the Palestinian people in the struggle for the realization of their justified historical aspirations. Milojko Drulovic also gave information about the current preoccupations of the SAWPY in the domestic area and international activities. They also discussed further developments and the strengthening of cooperation between the SAWPY and the PLO.

More on Visit by Sejm Delegation

Meets Rozic, Mikulic

LD291304 Belgrade TANJUG Domestic Service in Serbo-Croatian 1200 GMT 28 Sep 87

[Text] Belgrade, 28 Sep (TANJUG)—During talks between parliamentary delegations today, Marjan Rozic, president of the Yugoslav Assembly, and Roman Malinowski, speaker of the Polish Sejm, agreed that there are

no disputed issues in bilateral relations between Yugoslavia and Poland which might hurt cooperation between the two countries. They advocated enhancing this cooperation on the well-known principles of equality and noninterference.

The Polish Sejm delegation was received today by Branko Mikulic, president of the FEC. The discussion concerned opportunities for promoting bilateral cooperation.

Economic Cooperation Discussed

LD291717 Belgrade TANJUG Domestic Service in Serbo-Croatian 1439 GMT 29 Sep 87

[Text] Belgrade, 29 Sep (TANJUG)—Branko Mikulic, president of the Federal Executive Council, today held talks with Roman Malinowski, the marshal of the Sejm of the PPR, who is on an official visit to our country. Mikulic and Malinowski assessed that Yugoslavia and Poland have realized a high degree of cooperation and that there exist significant possibilities for the further successful development of cooperation. In this context both sides stressed their interest in devoting particular attention to the development of economic cooperation.

They pointed out extensive opportunities for long-term ties between the two economies by way of developing higher forms of economic cooperation, such as industrial cooperation, joint investments, joint participation on third markets and scientific-technical cooperation. It was established that fresh efforts should also be invested in further improvement of trade and balancing it at a higher level.

Mikulic and Malinowski exchanged views on the most recent measures both countries are undertaking in the area of overcoming economic problems and introducing economic reforms. Mention was also made of the international economic situation, particularly the problems of debts, which are increasingly becoming an unsufferable burden for debtor countries. They stressed the need for an urgent dialogue between debtors and creditors so as to find a solution for this problem, which considerably burdens contemporary international economic relations.

Dizdarevic Attends UN Meetings

Meets Shevardnadze

LD252322 Belgrade TANJUG in English 2227 GMT 25 Sep 87

[Text] United Nations, Sept 25 (TANJUG)—Yugoslavia and the Soviet Union support the Security Council resolution on the Gulf War and call for an urgent convening of a Middle East peace conference, it was said during talks between the two countries' foreign ministers, Raif Dizdarevic and Eduard Shevardnadze, at the Soviet permanent mission to the United Nations today. Shevardnadze informed his Yugoslav counterpart about Soviet-U.S. relations and the announced agreement to remove medium-range nuclear missiles from Europe. A mutual hope was expressed that these first steps in disarmament talks would open up prospects for similar initiatives in other fields.

Dizdarevic and Shevardnadze agreed that finding a solution to international economic problems, particularly those affecting the developing countries, is one of the key elements of peace and stability in the world. In that context, they underlined the role of the United Nations as an indispensible mechanism for the settlement or easing of regional and global crises.

The two foreign ministers positively assessed Yugoslav-Soviet relations, and said it was necessary to overcome some problems in the economic sphere as soon as possible to enable a further advancement of bilateral cooperation in this field.

Meets Foreign Counterparts

LD260919 Belgrade TANJUG in English 2247 GMT 25 Sep 87

[Text] United Nations, Sept 25 (TANJUG)—Yugoslav Foreign Minister Raif Dizdarevic met in New York today with foreign ministers of the Federal Republic of Germany, Belgium, France and Japan.

Dizdarevic's talks with Hans-Dietrich Genscher, Leo Tindemans, Jean-Bernard Raimond and Tadashi Kuranari focused on the promotion of mutual economic relations and financial cooperation.

Views were also exchanged on the current international situation, in the context of which the ministers welcomed the superpowers' initial steps towards disarmament.

Addresses General Assembly

LD290839 Belgrade TANJUG in English 2330 GMT 28 Sep 87

[Text] United Nations, Sept 28 (TANJUG)—Mankind must not stop at the first positive results in easing international tension, Yugoslav Minister for Foreign Affairs Raif Dizdarevic declared tonight.

In a speech at the 42d session of the U.N. General Assembly, Dizdarevic, warning that hotbeds of crisis still exist, stressed that peace, security and development are integrally linked together and are jointly paving the way for a world in which peace of mind will overcome fear, prosperity want and equality violence.

The forthcoming agreement on the reduction of armaments in the world, in the estimation of Dizdarevic, is but the beginning of a long road towards total nuclear disarmament. Stressing the historic significance of the

agreement, he said that it is opening up also the possibility of re-directing the trends of international relations in the interest of all peoples.

"Yugoslavia pays tribute to the Soviet Union and the United States on the hitherto constructive efforts and believes that they will soon bear precious fruit," Dizdarevic said. He added that this development also represents a major step in the realisation of the standpoints the movement of nonalignment has continuously and persistently advocated for more than a quarter of a century.

Speaking about economic difficulties, the Yugoslav foreign minister said that, in present conditions, the debtors are not able to pay back their debts. There is no way out of the crisis without a concerted effort by debtors and creditors alike, he said. It is necessary to create conditions for a faster development of developing countries and to radically improve terms for debt repayment, Dizdarevic said.

He urged the convening of a Middle East peace conference under the auspices of the United Nations and with the participation of all the parties concerned, including the Palestine Liberation Organization as the sole legitimate representative of the Palestinian people.

Dizdarevic also urged a dialogue in solving the questions of Afghanistan and Kampuchea, stressing the necessity of the withdrawal of foreign troops. He supported the U.N. Security Council Resolution on ending the Iraq-Iran war, and warned that the entry of foreign powers in the Gulf has created an explosive situation which threatens peace and security in the region and in the world.

Dizdarevic informed the U.N. member states about Yugoslavia's initiative for a Balkan countries' ministerial meeting aimed at promoting multilateral cooperation in the region through a constructive dialogue.

Ljubicic Receives USSR Procuracy Group

LD261007 Belgrade TANJUG Domestic Service in Serbo-Croatian 1312 GMT

[Text] Belgrade, 25 Sep (TANJUG)—Nikola Ljubicic, SFRY Presidency member, received today a delegation of the USSR Procuracy, led by Aleksandr Mikhaylovich Rekunkov, procurator general and member of the CPSU Central Committee.

The delegation is staying in Yugoslavia at the invitation of the Federal Public Procuracy.

Greeting the delegation in the name of the SFRY Presidency, Ljubici emphasized that the traditional friendly and good relations and all-round cooperation between Yugoslavia and the USSR are successfully developing, and further evidence of this is given by this visit. Ljubicic acquainted the guests with the efforts being made to strengthen constitutionality and legality in Yugoslavia, and for the more efficient functioning of the overall socioeconomic and political system and the responsibility in these matters of the judicial organs.

Ljubicic also stated that the SFRY is carefully following the activities of the USSR on the domestic and the external level, and that it supports its efforts for a reduction in nuclear arms, for disarmament and improved international relations.

Krunic Toasts CSSR's Husak at Dinner

AU291008 Prague RUDE PRAVO in Czech 23 Sep 87p 2

[Toast delivered by Bosko Krunic, president of LCY Central Committee Presidium, at the Belgrade dinner held in honor of Gustav Husak, CPCZ Central Committee general secretary and CSSR president, on 22 September]

[Text] Esteemed Comrade Husak, dear Comrades, permit me to express the gratification of the LCY Presidium and also of my own at your visit, and to extend to you, Comrade Husak, and to all Czechoslovak Comrades present here our cordial welcome.

I believe that our negotiations today can be said to have been very useful and specific, and to have been held in a comradely atmosphere filled with mutual understanding and respect.

We have reaffirmed that the well-known democratic principles of relations (respected by both sides) represent the foundation which has enabled us to smoothly develop and expand our cooperation in all spheres, without letting the differences which exist between us become an obstacle on this road.

On this occasion, too, I would like to stress our consistent devotion to the traditional friendly relations between the nations of our two countries.

Among other things, these relations are interlinked with the personal fates of many of our people—of Yugoslavs in Czechoslovakia, and of Czechs and Slovaks in Yugoslavia. There is scarcely a Yugoslav city which has not had at least one Czech or Slovak family living in it since the second half of the last century; they came here, lived and worked here, and thus contributed to the development of the economy and culture in our regions. On the other hand, a large number of our own people have worked or studied in Czechoslovakia, among them some who later became prominent functionaries of the Communist party of Yugoslavia, or else the LCY. This is true not only of Comrade Tito, but also about other outstanding figures, such as Veljko Vlahovic, Ratko Pavlovic-Cicko, Ratko Vujovic, and others.

This has given birth to sincere friendship, which became even stronger in our common fight against fascism and for national and social liberation. It is the historical

merit of our parties that they have put this traditional friendship on permanent and lasting foundations and based it on the principles of equal rights, independence, noninterference, and mutual respect. On these foundations they have succeeded in overcoming the well-known difficulties and obstacles in our relations in the recent past. In this way we have simultaneously created stable prospects for successfully developing our relations further, strengthening them so that they could pass all trials and overcome all difficulties of life.

We are convinced, Comrade Husak, that your visit and its results will also become a new incentive for this mutual effort and for the development of our overall relations and cooperation.

We are fully justified in positively appraising the relations and cooperation between the LCY and CPCZ, as well as the overall relations between our countries. At the same time we have found that there are many possibilities and a lot of scope for developing them further, for beginning and maintaining on all levels a smooth, frank, and comradely dialogue on all issues of common interest. Such cooperation, accompanied by full mutual understanding, will substantially contribute to the exchange of experience and thus also to better mutual knowledge and trust—in other words, to the foundations on which comprehensive, good, and stable relations between the LCY and CPCZ and between our countries can be further developed.

You, Comrade Husak, surely know about the results and the deep economic, cultural, and social transformations achieved by the SFRY in its socialist self-management development during the past several decades. You are also familiar with the weighty problems which we are encountering at this stage of our development, and with our efforts to resolve these problems and to ensure a more stable economic and social development. All our activity is aimed at ensuring a more stable and rapid economic development under the conditions of scientific and technical revolution, while paying the necessary respect to economic criteria and to market laws (understandably, under the conditions of socialist social relations). On this basis it is essential to carry out a further democratization of the political system of socialist self-management and make the relations within society even more humane; likewise, it is essential to continue strengthening the leading ideological-political role played by the LCY in our society.

On this occasion, too, I would like to emphasize that, even when faced by the great tasks which are before us, we are fully determined to orient ourselves toward energetically and speedily resolving the difficulties, and toward creating all the necessary conditions for a more stable and dynamic advancement of the country in the strategic direction of our revolution, in keeping with the leading idea of our development as it was set down by Comrade Tito.

Esteemed Comrade Husak, both our sides have stated that the international situation is complicated and fraught with numerous dangers. However, we have stressed with optimism that certain positive processes have recently taken place and that constructive initiatives have been submitted, particularly in the disarmament sphere.

We are glad that the USSR and the United States have reached the threshold of an agreement on the removal of intermediate-range missiles from Europe. This would be extremely significant for peace and security not only on our own continent, but also worldwide. It would be the first specific step toward halting the senseless accumulation of dangerous nuclear arms and toward beginning their removal. We sincerely believe that this will be the first sign of the gradual, total elimination of these weapons.

Peace and the international security of all countries, the establishment of just international political and economic relations and of international cooperation based on equal rights—these are the lasting foundations of international activity pursued by Socialist Yugoslavia. We see the guarantee of realizing the dreams of our independent and peace-loving policy in the platform of the Nonaligned Movement as a global and independent factor (not belonging to any blocs) in the current international relations. The Nonaligned Movement has been contributing for more than 25 years to the fight for peace and equal rights in international cooperation by maintaining a principled, constructive approach to all burning international problems and by submitting its own suggestions for their solution, in keeping with the interests and peace-loving longings of the entire international community. Yugoslavia has always supported such activities of the Nonaligned Movement, and will do so in the future.

The LCY believes that socialism as a world process is a strong democratic factor which has a positive influence on social and international events in the world. Its impact is all the more significant, the more emphatically and consistently one implements within its framework the principles of equal rights, independence, and noninterference, as well as the right of every party to an independent and sovereign policy, based on the conditions of its own country and on its responsibility toward its people and their workers' class.

Consistent respect for these principles makes it possible, and easier, to be more courageous in implementing new and more modern approaches to social development and in formulating an authentic political strategy in harmony with the specific conditions of every party and every country, thus securing for the socialist processes a new upsurge, and for the socialist countries new results in their economic, social, and political development. These principles also guarantee the successful cooperation of all progressive parties and movements and all progressive forces in the world, regardless of ideological and

political differences between them. Through this cooperation they will become the decisive force which, because of its proposals and ideas, will come to head the fight for peace and freedom, for the people's prosperity and interests, for progressive social transformations, and for the universal values of mankind.

Permit me to conclude by once again expressing gratification over your visit, Comrade Husak, and the talks we have had, which—we are fully convinced—will contribute toward expanding and further developing the relations and cooperation between our parties and countries. We highly respect your personal merits in this development.

I wish you, esteemed Comrade Husak, and the other comrades good health and the successful accomplishment of the tasks of socialist construction in your country, for the benefit of the CSSR peoples!

Bosnian LC CC On Agrokomerc Affair
AU282025 Belgrade BORBA in Serbo-Croatian 21 Sep 87 (special supplement) pp 1-16

[Report on the Bosnian LC Central Committee session discussing the political consequences of the Agrokomerc affair in Sarajevo on 19 September]

[Excerpts] [passage omitted] Milan Daljevic: Agrokomerc was a System Within the System [subhead]

The Central Committee is expected to show maximal communist criticism and responsibility in examining the Agrokomerc case. I think that only in this way can we define completely clear and concrete tasks to overcome this extremely difficult situation, reestablish the shaken trust of the communists, working people, and citizens, and concentrate all our strength on urgent and joint action. Not only the citizens of Bosnia and Hercegovina, but also the whole Yugoslav public expect from us a completely open, principled, critical, and self-critical approach in our assessment of everything that has happened in Velika Kladusa and as a result of Velika Kladusa.

Deformed Economic System [sub-subhead]

The Agrokomerc case (and not only this case) has shown in the most dramatic way that our economic system is seriously deformed and that it is continually deepening the old and new hotbeds of inflation and crisis. Agrokomerc's business circles very skillfully and unscrupulously used all cracks in the system, particularly weaknesses in the organization and functioning of our financial-monetary and credit-banking system. [passage omitted]

The LC was Paralyzed [sub-subhead]

Everything that happened could not have been possible had the LC been up to its leading role and its tasks. One of the basic questions that the LC should answer is: How was it possible that thousands of communists had been manipulated for such a long period of time and that some LC organs were not only pushed into the background, but were enlisted in creating and carrying out the unlawful and non-self-managing policy of the technobureaucratic structures? This means that the LC was physically paralyzed, that opportunism is deeply rooted, and that there was an erosion of morale and ethics among many LC members. It is high time for the LCY, in accordance with the 13th LCY Congress resolutions, to undertake resolute measures in order to restore the LC organs and organizations to health and enable them to carry out their leading ideopolitical role and historic responsibility. It is high time to eliminate negative social processes as soon as possible, prevent the devaluation of one truly great and authentic socialist revolution, and halt the further unfavorable development of the socioeconomic and political situation. [passage omitted]

Nobody Should be Spared [subhead]

I would particularly like to stress the fact that the theft in Agrokomerc objectively created suitable grounds for inflaming the nationalism which has arisen in Yugoslavia and which acts as counterrevolution's main stronghold. We must not allow the destruction of intranational relations at any price. Nobody must be allowed to name names and count heads on a nationalist basis. [passage omitted]

Mato Andric: Expensive Lesson [subhead]

Here I can tell you that, as far as the republican Presidency's views on the assessment of events in Agrokomerc and the support for the respective organs' unlawful performance of their duties is concerned, these views were reproachful; everybody can check the authenticity of this. But we lost time, we were late to some extent. I do not intend to defend this with the fact we had to fight against various illusions, that we had to do away with myths about some people that were created with what now appears to be a false boom, by which we in the republic and republican organs were influenced to some extent, whereas those in the communes of Velika Kladusa and Cazin were totally influenced.

I would also like to say that the first, correct, and concrete measures were undertaken by the republican organs when they received full and reliable information. This was then discussed by the Presidency and the republic's Executive Council, which issued a statement about possible solutions expressing resoluteness about establishing responsibilities. Since then the action has been joined by the media and all other organs which were supposed to work on solving this problem within their powers.

It is not true that the media or anybody else forced us to do this. We decided to do it ourselves. [passage omitted]

Branko Mikulic: All Evil Forebodings Exceeded [subhead]

I think one can say that clouds over Bosnia and Hercegovina were visible all the time in the last 2 months. During this time one could not know whether they were going to bring storm, rain, or hail. But much more than that happened: The Agrokomerc affair had caused a tornado to pass through Bosnia and Hercegovina, because what was revealed and what had already been established to have happened in Agrokomerc, exceeded all evil forebodings in the moral, political, social, and ideological sense. It is quite certain that what had been done in Agrokomerc was in total contradiction to the policy that has been conducted and carried out in Bosnia and Hercegovina for decades. I sincerely think that some time was needed to believe that this was really true. This is similar to the situation when one learns about the death of a close, dear relative. This is why I think the reaction did not come earlier. One could say that recovery could have been faster, but only that. Nothing else that could be to the detriment of the political and state organs of Bosnia and Hercegovina.

My feeling is that we have relied too much on the system's institutions and their cadres and that we did not maintain everyday, direct contact with workers, associated labor organizations, and the citizens in the local commune. This was the reason for two negative consequences: On the one hand, the policy was not being implemented, while on the other we were tricked by techno-bureaucratic manipulators.

Without Amnesty [subhead]

We are not suffering from the lack of regulations, although we shall reexamine what needs to be improved on the basis of the Agrokomerc affair and other associated labor organizations. It is obvious that the affair was a result of the lack of efficient control over the implementation of the law. It has also been shown that authorized government organs were under unprincipled pressure from some individuals and organs and that social control was not conducted in the work of these organs, according to the Constitution. It is now clear that some important aspects of social supervision and control do not function, that we have not developed a suitable information system about, for example, securities, bills of exchange, and cheques in transit.

Had the Social Accounting Service acted in a unified way, federal organs would have been informed in time about the issue of unbacked bills in Agrokomerc and in some other places, and would have been able to undertake appropriate measures. We will improve this. Of course, this does not refer only to the Social Accountancy Service, but also to the National Bank of Yugoslavia and other federal organs.

The FEC has formed a working group which will reexamine the need to reduce the number of regulations in the economy and the market and will at the same time undertake measures needed to strengthen the control functions as well as responsibility and discipline in the application of the law, the Constitution, and the economic and credit-monetary policy in particular. Last year, as soon as the FEC was assembled, we started to think about forming a special federal organ that would incorporate all federal inspection organs.

At the federal level many things have, in a way recently been dismantled, and transferred to republics and provinces, which is justified, but it is not good that some of these duties are not also being dealt with in the federation. In this way—and of course through ignoring similar cases, among which there were some very serious cases that were hushed up, ignored, covered up, and so forth—we created the conditions which made possible a scandal such as Agrokomerc.

What happened in Agrokomerc, as well as in some other similar cases, is the subject of the FEC's and other state organs' serious consideration and measures. We knew that the introduction of real cadre categories, real accumulation, real income, real depreciation, real interest rates and exchange rate policy, conducting a restrictive credit-monetary policy and the persistent closing down of sources of the irregular issue of money—on which we have been working for more than 1 year (and have already achieved good results)—would also reveal weaknesses in our financial system, including violations of the law on transmission of money and securities. This is why we can say to our friends abroad that the measures undertaken are revealing all cases of financial misbehavior and the irregular issue of money, and that these cases are dealt with in accordance with the law of this country and the rules of market behavior, that we are not ignoring and socializing them.

Against The Denial of Muslims [sub-subhead]

We are burdened by inflation. In our society we are undertaking various measures to restrain and reduce it, but how can one succeed in this when, by violating the law, people have violated the regular issue of money which in turn led to an increase in demand. In the first 6 months of this year the money supply in Yugoslavia rose by 839 billion dinars, while bank advances rose by 1,469 billion dinars. The established value of unbacked bills issued in Agrokomerc, Varazdin, and Cuprija of about 400 billion dinars represents 47.7 percent of the increase in the supply of money, as compared with a 27.2 percent increase in the commercial banks' advances in the first 6 months.

Undoubtedly, these excesses have played a very negative role and have adversely affected inflation and the unlawful increase in the money supply. This issue of money has increased demand. In order to cover commitments without collateral, prices were increased. Bills of

exchange come into the total income and then, through its distribution, go into consumption. Although I do not know what will be discovered in Agrokomerc at the end, I suspect that it will be established that unbacked bills were also used to make losses good.

I am very pleased with the discussion held at this Central Committee session. It has shown that the Agrokmerc affair has not shaken the unity in the Central Committee and in the Bosnian LC, and that all those who were hoping for this were wrong again. With this, the Central Committee and the Bosnian LC will contribute toward the stabilization of the situation in Yugoslavia and the future realization of Bosnia's role and responsibility in the federal Yugoslav community. I support the call made in the introductory speech and in the discussion that special attention should be paid to strengthening brotherhood and unity, and that chauvinists should not be allowed to stir up relations between the peoples and nationalities of Bosnia and Hercegovina and Yugoslavia, that they should not be allowed to question the national identity of the Muslim nation.

Milanko Renovica: To Save What can be Saved [subhead]

The subjective forces of our society and the LC in particular have not yet found the right answers to all the things that have been happening in our country. They do not have the strength to realize their own positive programs, which is something that is confusing the people, causing dissatisfaction, restlessness, and anxiety, and adversely affects the political mood. All this requires a serious, critical analysis from the LC and the establishment of clear rights for ideopolitical action in implementing the LC's policy. [passage omitted]

In this situation we must show political maturity, prudence, wisdom, and a critical approach and responsibility for everything that has happened in the Agrokomerc affair. We must be aware of weaknesses and inconsistencies in the functioning of the system and of serious mistakes in the work of certain institutions; but treating these as the main cause of this occurrence would be political blindness. In this case the basic causes were abuse, bureaucratic obstinacy, manipulations, and unlawful and incorrect work. [passage omitted] In the current situation, the most acceptable thing from the social and economic point of view would be if the creditors, banks, and some of enterprises concerned decided, on the basis of a real program, to rescue what could be rescued in Agrokomerc's production. In my opinion, this does not mean that in the rescue process—if it comes to that, and for which only slim chances exit—associated labor and the republics should not a bear certain part of the solidarity with the workers of Agrokomerc.

Hamdija Pozderac's resignation from his post as member of the SFRY Presidency is a unique act of moral and political responsibility. This contributed toward shedding light on the whole affair, toward differentiation, but also toward strengthening unity in a continual struggle against deviations, unlawfulness, and scandals which have come to light as a result of this case. [passage omitted]

Dragutin Kosovac: Flirting With Hrnjica and Imams [subhead]

Perhaps the worst thing that happened is that those most affected by this affair are the people, through their work, self-sacrifices, and denials proved their readiness to fight for their development, relying on their own strength. These people have in fact been cheated, and I think that associated labor in the republic must not leave them on their own in this cataclysm. [passage omitted]

In addition to economic and political damage, and the blows inflicted by the Agrokomerc case, there is one aspect that was discussed but, in my opinion, not sufficiently explained. In the euphoria of leadership and greatness some people flirted with Hrnjica [a Turkish vassal] and imams which provided a reason, but not the right, to attack one of our great achievements: the affirmation of the national identity of the Muslim nation. I think this is a great achievement of the policy of national equality, not only a Bosnian achievement, but a Yugoslav achievement, attained through a persistent and fierce battle against nationalism. Now this achievement is exposed to attacks by linking Muslims with Islamic fundamentalism and by assertions that their genes are inclined to violence, plunder, and similar things. [passage omitted] Raif Dizdarevic: Nationalist Poison [subhead]

I think that the urgent task in the further development of self-managing democratic practice, one of our priorities, is how to democratize our cadre policy, how to overcome the situation in which, in many places, many people are turning toward those who hold certain posts rather than toward work, a situation in which people are divided according to what kind of support they enjoy. Unfortunately, it is a widespread belief that it is more important to have somebody, to enjoy somebody's support, rather than how much one is really worth, how capable, responsible, and active one is, how much one is valued by the community he comes from, and by the community in which he works. [passage omitted]

I feel obliged, first as a communist and then as a Moslem, to say that whatever we communists do, we are equally accountable to all the peoples and nationalities of this country. We are obliged, without prejudices, to adopt the same kind of attitudes toward all those who are undermining our achievements, system, efforts, law, and moral in society, and that in our fight against these evils we do not allow nationalist poison to be infused. This has happened. There are some rumors that the cadres of Muslim nationality are under attack. This is not thought by the working people, this is not thought by the citizens, this is not thought by people from the Cazin area, this is thought by nationalists. All those who deserve to be

attacked are and must be under attack. Nobody can hide his responsibilities behind nationalism. He must be punished. We must reject this resolutely. Nobody is being pursued by the law or criticized because he is of one nationality or the other, but because he was wrong, he made a mistake.

Another thing is attacks on individuals—even if these individuals are among those who sinned gravely or who were criticized for erring—attacks on them as Muslims, the fact that Agrokomerc is used to attack the Muslim nation, ranging up to the monstrous public attack purporting that Muslims are quasi-Arabs who are inherently evil.

Does somebody now want to bring back the question of the national identity of Muslims, which was solved once and for all through the joint struggle of the peoples of Bosnia and Hercegovina and Yugoslavia? [passage omitted]

Hamdija Pozderac: I Am Not Leaving Political Life [subhead]

My reasons and motives for resigning from the post as member of the SFRY Presidency are clear from the statement of the expanded session of the Bosnian LC Central Committee Presidium. But allow me to present them again:

Assessing the whole political situation in the country and the negative economic and political consequences created by the Agrokomerc case, I decided to resign from the post as member of the SFRY Presidency. The gravity of the situation led me to do it. I resigned for reasons of principle, because by doing this, I wanted to make it easier to find a solution to the present situation, to strengthen unity in the Bosnian and Yugoslav LC, and to strengthen trust in the top leadership of the SFRY and Bosnia and Hercegovina. My resignation was motivated by moral responsibility for the whole situation and the consequences caused by the Agrokomerc case. I want to stress at this session of the Bosnian LC Central Committee that my support for Agrokomerc's development was of the same nature as my support to other work organizations in Bosnia and Hercegovina and other parts of the country where I worked. [passage omitted]

I am not resigning because I feel guilty for the things having occurred in Agrokomerc. I have got nothing to do with these things. I worked together with other comrades from political organizations on developing such plans in Bosnia. Whether I was in the position to trust more to Agrokomerc and Fikret Abdic than some other comrades can be checked, analyzed, and so forth. Everybody has the right to create plans. Nobody can be made responsible for holding views during the process of developing ideas in political structures. One is responsible if the adopted views are not consistently implemented and if one is not supporting the implementation of adopted views and policies. [passage omitted]

I am not leaving political life. As a member of the LCY Central Committee I will continue to participate in political life as I have done up to now. The conclusions of both the Central Committee Presidium session and this session state that the colleagues with whom I used to work and now work accept my motives and reasons for resigning. [passage omitted]

Bogus Bills of Exchange Issued in Varazdin

AU252025 Belgrade POLITIKA in Serbo-Croatian 15 Sep 87 p 9

[S.V. report: "Agrokomerc-Type Affair Also in Varazdin"]

[Text] Does the Social Accounting Service of Yugoslavia know that the Viko Composite Organization of Associated Labor of Varazdin has issued uncovered bills of exchange to the value of 100 billion dinars? This is what we asked Dimitrije Tasic, director general of the Social Accounting Service, yesterday.

Explaining that *Politika's* information was not correct and that the question of whether the Social Accounting Service does or does not know cannot be posed, because it was the service that discovered the suspicious bills of exchange, and stressing that he will be brief because he must return to an important meeting with Social Accounting Service directors, Dimitrije Tasic made the following statement to *Politika*:

The Social Accounting Service ordered an audit some time ago and the audit is still under way. To date, which means before a definitive report has been made, it has been established that VIKO of Varazdin issued 537 bills of exchange valued at about 40.27 billion dinars without any debtor-creditor relations arising from them. The audit is underway and when it is completed, the Social Accounting Service will take all the measures according to regulations. However, talking about Varazdin, it was not only VIKO that issued suspicious bills of exchange. The Vartilen work organization, in which an audit is also under way, issued bills of exchange to the value of about 97 billion dinars without any debtor-creditor relations arising from them. The audit continues in this case, too, and legal measures will be taken by the Social Accounting Service when it is completed.

YPA LC Committee Holds Ninth Session

Army Personnel's 'Activity' Discussed

LD232159 Belgrade TANJUG Domestic Service in Serbo-Croatian 0917 GMT

[Text] Belgrade, 23 Sep (TANJUG)—The LCY Organization Committee of the Yugoslav People's Army [YPA] held its ninth session today in the YPA club in Belgrade. The activity of army personnel in society and the tasks of communists and of the LC Organization were discussed.

The opening speech was given by Georgije Jovicic, president of the Presidium [of the YPA LC Organization].

Participating in the work of the session was Vidoje Zarkovic, member of the LCY Central Committee Presidium, and members of the LC Organization Committee Central Committee.

The committee thoroughly analyzed and positively assessed the activity up to the present of YPA members and critically drew attention to the most topical problems in society today. The committee emphasized that the situation in society demands an even better quality of sociopolitical involvement of communists and all YPA members in sociopolitical communities and organizations, enriched by new forms and contents.

The committee's session began with a discussion of the fact that the most purposeful sociopolitical involvement of communists in the Army is that which most specifically results in the further building of moral and political unity and combat readiness in our units and institutions. As heretofore, Army personnel must present themselves as an inseparable part society, as factors for defense and peaceful development. This forms the basis of the sociopolitical involvement of communists and other members of the Army in the struggle for Yugoslavia, for self-managing socialism, brotherhood and unity, the concept of defense, nonalignment, and other fundamental values of society.

The complex social situation exerts strong pressure on YPA members' consciousness, frame of mind, and motivation and behavior; however, it also demands greater responsibility from the YPA orgaganizations and organs of the LC, the command, and other members. Communists and all YPA members must be more on the offensive in social activity in unmasking anti-communist and anti-socialist ideas and ideologies, the committee emphasized.

Vidoje Zarkovic and Branko Mamula both took part in the debate.

The LC organization committee adopted a program of work to realize the LCY Central Committee stances on the LC's ideological struggle to develop socialist self-management and socialist self-managing democracy.

The YPA LC organization has established and partly carried out tasks in the area of ideological struggle in the League of Communists. However, based on the obligations established by the Seventh LCY Central Committee session; the importance of the LCY's ideological struggle for the development of socialist self-management; and the positive assessments so far of the high degree of unity in the composition of the Army on all the primary issues, the committee emphasized the need to ensure and maintain the full moral and political unity and inner cohesion of the units, institutions, command, and of the Army as a whole in the coming period. It stressed the need for all LCY and YPA members to, as fully and deeply as possible, understand the causes and consequences of the overall ideological trends in the development of our society and the LCY. All forms of attack on the YPA and the belittling of its social role must be energetically opposed.

In the adopted tasks on implementing the conclusions of the ninth LCY Central Committee session, the YPA LC organization's responsibility to realize the LCY'S stances in the development of socialist self-management, brotherhood and unity, and togetherness in Kosovo was stressed. The committee's obligation to develop more specific and detailed plans for measures and actions to create a direct insight into the implementation of the conclusions, and in this connection to encourage the activity of the organizations and organs of the LCY in the YPA, was established.

On the basis of the adopted conclusions, broad activity will be developed in all the organizations of the LC in the YPA to realize complete ideological and political unity among YPA members. Activity will also be developed to improve the members understanding and interpretation of the conclusions of the ninth LCY Central Committee session on Kosovo, directed towards the energetic exposure of all attempts at action from positions of Albanian nationalism and separatism and the prevention of any kind of division based on nationalism.

Jovicic's Opening Speech

AU291910 Belgrade BORBA in Serbo-Croatian 25 Sep 87 p 8

["Opening speech by Colonel General Georgije Jovicic, president of the Presidium of the Committee of the LCY Organization in the Yugoslav People's Army at the ninth session of this organ: Acceleration Toward Critical Point"]

[Text] Belgrade, 24 Sep—Explaining at the beginning that the subject, "Activities of the Yugoslav People's Army [YPA] Personnel in Society and the Tasks of the Communists and LCY Organs," was put on the agenda of the session as a part of an operative program for the realization of the conclusions of the 13th LCY Congress, Colonel General Georgije Jovicic said that our Army belongs to the people, serves the people, and grows and derives its strength from the people. It is connected with the people in all spheres of social and political life. It experiences all the people's successes and joys, as well as misfortunes, failures, traumas, and crises.

We are now in a deep sociopolitical and economic crisis, Jovicic said, and this is clear, or at least should be clear to everybody. It preoccupies and deeply worries us, as it does every man of socialist persuasion. The worry is growing from day to day among all Army personnel, so

to speak. Considering this, we must discuss the crisis, all its aspects, and especially its influence on the YPA and defense in general within this context, and our activities in society.

We said at our eighth conference on the LC organization in the YPA, and at the 13th LCY Congress, and we repeated it on some other occasions after the 13th Congress, that in this complex and difficult period of social development, the Army preserved its internal moral-political unity and moral force. This enables it to remain a reliable support for the workers class, working people, and all our peoples and nationalities in strengthening their security and socialist development.

However, General Jovicic said, at the same time we must repeat the other side of this assessment, which we also made on several occasions, to the effect that the situation in all-people's defense and the YPA is directly dependent on the situation and trends in society. After all, the 13th LCY Congress has accepted this assessment.

Considering that negative trends in our society continue even after the 13th LCY Congress, and some problems are assuming even greater proportions, or in other words, considering that the 13th Congress's assumptions about strengthening all-people's defense and social self-protection, or about the prerequisites for their strengthening, are not being realized, we in the Army are also meeting increasing difficulties, for society's problems, more and more and with increasing directness, are breaking over us, which is to say the Army as a whole. In recent months this has even assumed worrying proportions, as is unfortunately shown by the criminal killing in Paracin barracks, Jovicic stressed. He continued: Although for some time we have been been meeting major problems in the functioning of the political system's institutions in our society, in our socioeconomic and political life, great differences are present as regards building and making some changes in this system. This has been expressed during the recent discussions about the draft constitutional amendments. It is obvious that the economic system, the legal system, the taxation system, the banking system, the social accounting service, inspections, the market, and so forth, have functioned inefficiently, or one hesitates about the changes for various egoistic, national, "structural," and other similar reasons, although the changes were requested by communists and working people in the discussions after the 13th LCY Central Committee session.

The set policy is also not implemented in the field of the economy, which has led to galloping inflation, an accelerated fall in the standard of living, a further deterioration of the material position of a large number of working people and citizens, almost daily work stoppages, a further deterioration in associated labor, a deterioration in foreign liquidity, difficulties in paying personal incomes, increased losses in the economy, and even difficulties in supplying some kinds of goods to citizens.

These and other problems, and especially the impotence of the LC and the further erosion of its role, the increasing antisocialist and anticommunist propaganda, in which some of our public media have joined, unfavorable trends in Kosovo even after the 9th LCY Central Committee session, the further rise of nationalism, further attacks on the army and the defense concept, and so forth have caused nervousness and a vacuum in many places and, in some places, fear and distrust of the system and in the leadership of the country. Well-meaning people and communists, and even some of our cadres, very often pose the question: What is all this and where does it lead us?

The LC and the leadership have for some time failed to provide proper answers that would bring some more clarity, serenity, and confidence, and this causes concern among the people. They ask for a turn for the better, regardless of sacrifices, means, and methods, which of course cannot be generally accepted, but must be taken as the last warning.

There have been many descriptions of our situation and diagnoses. The question is whether these diagnoses are correct. There have been too many conclusions, but no proper measures, decisions, and programs.

The LC, the leadership, all the sociopolitical and social organs, every worker and producer in his workplace, every honest citizen, we must all comprehend that we are accelerating toward a critical point which would be tragic both for the revolution and the socialist achievements. In this direction and along this line we must today discuss the activities of communists and Army personnel in society and all its institutions, from the local communities to the assembly and the LCY Central Committee.